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DIARY OF A
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Who Were the Eleven Million

DAVID LAWRENCE

DIARY OF A
WASHINGTON
CORRESPONDENT

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1942

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To my son
Ensign Mark Lawrence

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Apart from the Record

It has always seemed to me that history books covering crucial periods in world affairs were colored by comments and criticisms which the historians made after the fact. They—the authors—knew the end of the story, the way the plot actually worked out, and hence they could evaluate history in terms of a knowledge which the makers of the events did not themselves possess at the time.

We have a word for it—hindsight—and we have long permitted the emphasis in historical work to be retrospectively based on hindsight. Another kind of history is possible if we present excerpts from writings published or unpublished at the time the events were occurring and when the writers could not possibly have known what the future held in store.

The importance of this differentiation cannot be underestimated when we seek objectively to make a fair appraisal of men and events.

In this book, the author presents a diary in the broad sense that everything herein was written on or about the dates mentioned. The larger proportion, perhaps two-thirds of the material, was contained originally in a weekly letter of impressions written to a relatively small group of persons. The remainder comprises dispatches which appeared in the newspapers but which at the time were not known to have the significance that subsequent events disclosed.

As this book goes to press, none of us knows the outcome of World War II. The present volume covers impressions recorded from the day "total war" began on May 10, 1940, of the impact of foreign and domestic events on American policy up

Diary of a WASHINGTON CORRESPONDENT

to the time of the attack on Pearl Harbor on December 7, 1941, and to a point approximately six months thereafter—through May 1942—when America had already passed through the first important stages of actual participation in the war.

Probably two years hence—if the war, or peace negotiations, have reached definitive stages—there will be a sequel.

Washington

July 1942.

TOTAL WAR AND THE FALL OF FRANCE

May to July 1940

May 10, 1940

Hitler invades Holland and Belgium as "total war" begins.

May 11

The war of nerves has come again to Washington. Every crisis in Europe has brought a sudden wave of anxiety, but, this time, as Holland and Belgium have been drawn into the fray, the prospect that the conflagration will spread further and further is causing persons of all political parties to wonder if tense days are not ahead for the United States.

The fact that the President and Secretary of State and members of the Congress have all along expected Hitler to move through Belgium and Holland does not in any way lessen the gravity of the occurrence, now that the world is face to face with another deliberate violation of the territorial integrity of an innocent nation.

The fact also that neutrality is an ironic word of bygone days and that the rules of forbearance and restraint which international custom for centuries built into a code of international morality are now swept aside by the Nazis makes all Washington alert to the dangers of dictatorship-made decisions.

Overnight anything can happen. One man decides. No parliaments or congresses have to debate or authorize. Free peoples have used that method of deliberation, and so long as free peoples controlled free governments there has been no danger. Today one-man governments control vast armies and navies and

air forces. The limit of their capacity for offense is unknown. All the world therefore worries.

The United States Government knows that the American people want to be kept out of war. But this means out of any offensive war. It does not mean that the American people will not defend their own territory, or that they will regard with resignation the establishment of any air bases in the Atlantic near our coasts.

Whether America gets into the war depends on Axis initiative. The most that the American Government may ever be asked to do on a defensive basis to protect the Monroe Doctrine may be to patrol the coast lines of North and South America.

Will America be asked to decide on aid to the Allies in the event that the war goes against them? This question is not being answered officially, nor is it answered privately by high officials. Nobody attempts to look further into the future than the next week or month. Everything depends on the trend of the war itself.

A sentiment, of course, is already rising to revise so-called neutrality laws so as to permit a flow of goods on credit to the Allies. This is in accordance with international law as it existed before 1939. The pressure for such a return to the old basis will come from those who think this is the best way to keep the war from encroaching on the Western Hemisphere, and it will come from those who feel that to require cash at the present time is to impose a burden on countries like Canada and the United Kingdom, which normally constitute our best customers for trade.

Not only would the Johnson Act have to be revised, but also the 1939 Neutrality Law, if exports of agricultural and other products are to be financed for the British and French governments on a long-term basis. Some change in the credit machinery will ultimately be made, but it had been felt until now that the issue would not arise till after the November elections,

because the Allies have enough cash to take care of their immediate needs.

But, on the other hand, the knowledge that credit may be available here would alter the whole Allied conception of war purchases in America. The British have been delaying too long in buying war planes. They have been trying to conserve their cash so carefully that they have lost valuable time dickering for planes of the latest type, when, as a matter of fact, they should have been taking chances on obsolescence and forcing American factories into greater and greater production.

It is an open secret that the Allies have fewer planes than the Nazis and that the latter's production per month far exceeds the output of America, France and Britain combined. American factories should be turning out more planes per month, whether for our own or for foreign use.

The latest crisis, like its predecessors, has revived talk of adjourning partisanship on foreign policy, even though a Presidential campaign is approaching. The example of discussion in Britain in the midst of war, and the change of government, has been an impressive one. The fact that all parties can unite in a crisis in British democracy is a heartening illustration of national patriotism. In America, if foreign questions were eliminated, the campaign would concentrate on domestic issues which are being sidetracked.

May 14

Judging by the conversations on Capitol Hill and the sudden decision on every side to build up America's defense weapons, there can be no doubt that the possibility of defeat for the Allies is more strongly in the minds of the whole official group here than it ever has been before.

Ever since the start of the war last September, there has been a disposition to assume an air of detachment on the theory that even if the Allies lost, America could remain aloof from the

consequences. Now with the startling developments going on overseas, a condition akin to panic seems to have seized some legislators. Overnight they now want to correct mistakes that only time and intelligence, rather than money, can possibly correct.

There is a certain amount of hysteria, too, about the war bulletins. The quick changes and the approach of German forces closer and closer to the channel ports of England make the situation quite comparable to the uneasiness which prevailed in the summer of 1917 and 1918 when big drives were started and German superiority of big, long-range guns had begun to cause fright.

The spectacular nature of air warfare has undoubtedly brought new problems, but conservative military folks still insist that airplanes do not land big armies in countries of any substantial area or fighting equipment. That Holland and parts of Belgium would be overrun has long been anticipated. But it took the Franco forces in Spain a long while to subdue the Loyalists, and, while the airplane was destructive it was by no means the weapon that alone brought defeat.

What the new turn of events means undoubtedly is that the Nazis hope for a quick decision—they believe they can frighten the British and French people into submission. But instead, they are merely stirring up a determination to fight a prolonged war. The longer the struggle, the more difficulty the Nazis have in getting enough materials to maintain their armies of occupation and their air forces.

As for America, the invasion of Holland and Belgium has set off a spirit of determination, too. It is a resolution not to be caught napping. America's defense machine is not adequate. It will have to be materially improved. This means that airplane production will have to be stepped up five-fold. And this in turn redounds to the benefit of the Allies.

America hopes to keep out of war, but military preparations will be begun at once on the assumption that America may be

dragged into the conflict. The Nazis may hope, as did their predecessors in 1917, that victory can be accomplished before American might is brought to bear decisively in the struggle. But the difference today is that while the Nazis are confident of the use of the airplane and other devices which they think can bring the Allies to terms before the United States will do anything about it, the preparations which America is about to make will proceed on the basis outlined by President Roosevelt last Saturday night when he asked:

"Can we continue our peaceful construction if all the other continents embrace by preference or compulsion a wholly different principle of life?"

This means that a Nazi victory will not go unchallenged by another group of powers in which the United States may some day play an active part, and that from a military, naval and aerial viewpoint, the United States is planning to defend the North and South American continents against aggression.

Before long, it will be apparent that a collaboration of Argentine, Brazil and Chile and the United States will become necessary in order to agree on joint steps of defense for this hemisphere. Never before has this been done, though in 1820 Brazil proposed an offensive and defensive alliance with the United States.

What Argentina's Foreign Minister emphasized over the week end—the need for a revision of concepts of neutrality in the light of realism—is already taking hold here. Neutrality laws as such are not considered as binding as they were a fortnight ago—or, at least, before the German Government again tore into scraps of paper a pledge as solemn as any that has ever been given to a smaller nation that its territorial integrity would not be violated.

The record of what has happened with respect to small nations in the last few months is the impressive fact that is changing public opinion on the maintenance of technical neutrality. President Roosevelt, it will be recalled, asked Chancellor Hitler

last year to give public assurances that he did not intend to attack Holland, Belgium, Norway, Sweden and Poland among other countries in the list. The Nazis ridiculed the query and called it impertinent. History reveals now that after the President of the United States asked for solemn assurances, those which were given to the smaller nations were flagrantly disregarded by the Nazi régime.

The German psychology is that might makes right and strikes terror. It does temporarily, but free nations accept temporary reverses and gird themselves for a long, long fight for human freedom. America's benevolent neutrality to the Allies has been brought into being by the Nazi violation of Dutch and Belgian neutrality.

America is not in the war and hopes to keep out, but the American war machine will be brought quickly to top efficiency and will supply the Allies with their needs. Ultimately, credits will be extended. Opposition to this has arisen in Congress, but the American people will support it because they believe that it is better to help the Allies stave off defeat than it is to become involved in war with the Nazis when the Allies have been defeated and are unable to help. Clearly the European war is no longer a "phony" affair in the eyes of anybody in Washington.

May 15

The drift into a war psychology has come with astonishing rapidity since last Friday. Though the invasion of Holland and Belgium is less than a week old, the seeming inevitability of American participation in some form has seized public opinion and reflected itself in a nervous, jittery Congress.

Overnight, all sorts of changes have entered the picture. The New Dealers are already gleefully interpreting current events in terms of their own ambition to remain in power, little realizing that if America's unity in the face of national peril is to

be achieved it will have to be by eradication of class conflict. Undoubtedly Herr Hitler is counting on American incapacity to unite in a crisis. He counted heavily on the bickerings inside the British and French democracies, and he judged the two countries well. They are unprepared today to meet the Nazi air force and mechanized armies.

The plight of the Allies has brought the beginnings of a period of unparalleled apprehension. Confidence in the ability of the Allies to hold on till the United States can bring help is being impaired by the news bulletins from abroad. If the British and French have a well-prepared plan of defense and are in a position to hold off their enemy till next spring, then American aid may be expected to be forthcoming, but the Nazi war march is a form of propaganda that is beginning to do on this side of the Atlantic what it has done to all neutrals in Europe—paralyze people into inaction.

The simplest approach to the problem would seem to be to build in the United States a huge war laboratory with tens of thousands of planes in production and with a war machine designed for our own use, but giving its immediate output to the Allies at low cost. The revision of the Johnson Act and other laws might take considerable time and produce more cleavages inside the United States. But there is no law to prevent sale of surplus property or war materials if carried away by foreign governments. Instead of credits to the Allies, the American Government might buy the output of all airplane factories and stimulate, through the RFC capital loans, the building of more and more plants. The planes could be sold at low prices—even at a loss by the American Government—in order to insure continuous production until such time as America needs the planes for her own defense.*

Federal appropriations for war purposes are usually phrased in a flexible way, and if purchases by the American Government were centralized and planes sold to foreign governments

* First suggestion of lend-lease policy. Bill passed by Congress in March 1941.

direct through foreign purchasing commissions working in close cooperation with the American Government, the Allied armies would be assured of a tremendous supply of bombers and defense planes. Modification of the so-called neutrality laws would doubtless be made later, but the problem of making government loans now would be avoided altogether, thus enabling the army and navy to maintain complete control of production of planes and war materials in America and reducing waste to a minimum.

Some method of helping the Allies win the war without making government loans seems to be in prospect. It may involve subsidizing war plants to take risks in starting airplane production on a vast scale and a level of low prices to the Allies. This would be justified on the basis that the Allies are helping us build our defense machine, avoiding obsolescence and constructing a war plant capable of winning this war or the next one, when, as so many are ready to believe, America will ultimately be forced into conflict with the conquerors of Britain and France.

May 16

The big "unless" on which all Washington has been qualifying its predictions for the last year has come at last. President Roosevelt has been known to feel that he could not accept a third nomination unless a war crisis or "extraordinary circumstances" prevailed. Those "extraordinary circumstances" are here. The President will accept the nomination.

There never has been any doubt that Mr. Roosevelt could get the nomination if he wanted it. But he has felt that the third-term precedent could not be broken unless a widespread public opinion believed it should be broken. The President thinks now such a contingency has arisen.

Overnight the whole Washington situation has crystallized. Whether there is ultimately a declaration of war or a formal

abandonment of the neutrality status in favor of belligerency or non-belligerency, the fact remains that the United States will shortly be on a war basis. Congress will have to remain in session to tackle the job of legislating authority and appropriating money for the immense tasks of "defense."

Politics will by no means be adjourned but the Republican party will have to readjust its strategy and pick a candidate who can be expected to do battle effectively against Roosevelt.

The "near-war" situation has raised grave doubts about the prospects of keeping the economic system at a high level of production unless something is done to eliminate many of the New Deal restrictions which have been imposed in the last seven years. Business men are expected to operate their businesses so as to speed war preparations, and yet they are faced with forty-hour weeks and "time and a half" for overtime, which means that the cost of military and naval and aerial preparedness is all out of proportion to the costs incurred by the major powers abroad.

The labor bloc is not going to be willing to accept revisions unless the owners of capital accept strict limitation of profits. This kind of cleavage might mean unsettlement at the very time when the economic machines should be geared up to go at a higher and higher speed.

All the elements of the collectivist state stand in the offing. Various plans advanced by the New Deal brain-trusters to "finance the war" are being referred to by prominent business men as schemes "to lose the war." If the radicals use the present situation as a means of putting government in complete control of the whole economic system and destroying the private initiative impulse, it may hurt America's war preparations exactly as it did those of Britain and France under "left wing" attacks in those democracies. Anxious times are ahead and they will require the utmost skill in the White House. Much of the anti-third-term sentiment is directly related to fears of collectivism. If the President wants to insure national unity, he

will have to make substantial concessions or else there will be a period of bickering and serious disunity.

The politicians, of course, on the Democratic side, see an easy chance for victory, riding on the President's coat-tails, but they do not yet know the consequences of a third term for the so-called New Deal. Irrespective of loud public protestations to the contrary, the politicians will lift the debt limit and borrow for the present—postponing until next January the making of a new tax law.

May 17

Less than one week has elapsed since the kaleidoscopic changes in the military situation in Europe. But already the American people have been brought to realization that old weapons of defense must be suddenly supplemented by new ones. Such quick changes have resulted in a sensational recommendation from the President of the United States that America build an air force equal to if not larger than any other in the world. Congress by its applause from all sides showed clearly that it is interpreting national opinion which at the moment wants no expense spared to make America secure against attack from any quarter.

But there is a deeper implication about the President's program. He makes it plain that sometimes the best defense is an offense, and hence he urges an air force that can go overseas and repel attacks from any bases that might be established in the Azores or on the African Coast.

The President, furthermore, has called for a production schedule for airplanes which will make possible the rapid flow of output in such quantities that the Allies can buy them and use them up instantly while the later and better models are being prepared for our own use at such time as America may really need them.

Plainly the President emphasizes that while the spectacular

weapon in use abroad—the airplane—must be supplied in greater and greater quantities for our own use, planes grow obsolete quickly and the American factories can sell their output of the immediate future to the Allies.

Mr. Roosevelt said nothing concretely about helping the Allies. He did ask simply that no delays be interposed in the way of sending or selling America's planes to foreign governments. He did not have to specify which government. The two things work in together, national defense and the development of a higher production schedule for the benefit of Britain and France. To enable such a tremendous increase in airplane production to be attained in America, present facilities will have to be expanded. Private capital hesitates to take the risks involved, especially since the moment peace is declared there may be a cancellation of orders. So the American Government comes along with a plan to furnish contract obligations which will enable the private companies to build up their plants, relying on orders for planes for our own defense program.

Some such coordination of the Allied purchases and the needs of our own air force has to be worked out and it can only be done through flexibility given the army and navy to make contracts and assist plants which will be glad to expand or turn over their existing facilities to government work.

Mr. Roosevelt has taken the first steps toward meeting the public opinion of the hour—bigger and better air forces for the democracies as against the dictatorship states. He said nothing in his speech to Congress about our entering the war, but made it clear in an implicit sense that the American nation was ready to sacrifice lives if necessary "for the maintenance of American liberties."

The President's announcement that the United States intends to protect by force any attack on any nation in this hemisphere is the familiar reiteration of the Monroe Doctrine, but it comes at a time when the defense experts have been saying that our air force could not protect even the Panama Canal against

mass attacks from the west coast of Africa or the islands adjacent thereto.

America now is headed for a huge expansion of economic facilities to meet the needs of the Allies, who will purchase more supplies and planes, and also the needs of the army, navy and air forces of the United States.

There are some observers who believe the war will be over before America's help can be felt in Europe. But this is not deterring the Administration or the Congress, because if the Nazis are to dominate Europe the general feeling here is that the defense program is more than ever necessary to ward off surprise attacks from a government whose assurances aren't worth the paper they are written on and whose ruthlessness as against innocent countries is merely a routine part of the passion for conquest.

The President spoke hopefully to Congress of peace in Europe, but in the background was the probability of a prolonged war as an inevitable consequence of Nazi successes. Already the Chief Executive has begun to emphasize on behalf of America the spirit of a free people and the sacrifices they would make to maintain their way of life. Possibly Mussolini and Hitler or their lieutenants were listening in. And significantly enough the President closed his address with a spiritual note—the great need for faith in God in these times of trouble and anxiety throughout the world. These days are truly reminiscent of 1917.

May 23

The grave turn in the war situation abroad has started a new phase of the American contest between radicalism and conservatism. It may wind up in a modified form of totalitarianism before many months.

The coming presidential and congressional election, far from being a one-sided affair, looks as if it may represent a struggle

for power between pressure groups, with national defense needs subordinated.

The issue which has arisen is simple to state: Shall the "social reforms" of the New Deal be maintained at any cost—even with the impairment of productive capacity needed for defense? Shall America now use the war emergency to add social reforms and emphasize the control by pressure groups?

The President has given a tentative answer. He wants the New Deal to manage the war preparations. Any conservatives who want to come and sit alongside the New Dealers and try to tell them anew what they have been trying to tell them for seven years about the way a productive machine functions in industry are welcome to do so. They will be cordially received. Their advice will be taken on technical questions. But on anything which interferes with the political or social objectives of the New Deal, the business men might as well be prepared to have their advice rejected.

The Republicans, who have not perceived keenly the world situation, have not become as yet a constructive opposition. They have put all their weight heretofore on isolationism as a political issue. Today when national defense is the issue, the Republicans are in a weak position because they themselves have not been behind any defense program of substantial size in the past.

The issue in the coming campaign in view of the world emergency is not going to be third term primarily—for Mr. Roosevelt is definitely going to run—but whether the mistakes of the past can be corrected by the continuance of the present Administration in power and whether, if we enter the war, it can be won by subjecting the army and navy to the control of New Deal bureaucrats who have their eyes on the labor and agricultural vote and not on the goals of higher production for war purposes.

Public opinion will soon perceive these issues and we shall have not a tame national campaign, but a bitter one. The issue

will be far more intense than it would have been if the democracies were not being beaten back. For the American people can now see very clearly the weaknesses of democracy. They favor a strong central government and no selfishness on any side, whether it be for capital or labor. The people would rally behind any leader who had the courage to speak frankly and tell them what is needed in order to make America secure.

The President's first move after the invasion of Holland and Belgium was to make a stirring address to Congress. This caught the applause of the people. His next move was to give the appearance of non-partisanship by trying to put some Republicans in his Cabinet. But this modified form of "coalition" doesn't mean anything in America, for no legislative power goes with it. Cabinet officers are just chief clerks and rubber stamps for a President. Legislative changes in reform laws are needed now.

Public opinion will soon penetrate the camouflage and the politics in the defense issue and demand action. The spectacle of what the British Parliament has done in the last forty-eight hours to conscript wealth and labor has not been overlooked. The drift everywhere is toward totalitarianism as an alternative to factionalism. America will get her real test in voluntary cooperation in the next few weeks. Public opinion will demand that selfishness and bickering be subordinated and a truly non-partisan government established. One may bet confidently on the side of an aroused public opinion.

May 31

America in the next five years will be a different country with a different set of problems than during the last five. An entirely new orientation will be necessary. "Defense," as we have known the term in the past, will be relatively insignificant. "Rearmament" on a scale more vast than the world has ever known will be demanded—the largest air force, the largest navy, the largest army.

Such a development means a shift from one kind of national economy to another. Government regulation which has thus far affected the manipulating politician in high office will eventually affect labor. The powers of a strong central government will be increased and the hope of the nation for a return to decentralized, state governmental controls may as well be dismissed. We shall be lucky if we escape a modified form of fascism growing out of the centralized scheme set up by the New Deal. But the trend toward the exercise of a powerful control over all elements so as to merge them into a national defense mechanism of untold strength is discernible and might as well be accepted.

The paramount question of the next few years will be how to make democracy efficient, how to preserve national unity, how to tax productively. The spectacle of selfish politicians hamstringing the defense of their respective nations by refusing to face facts is too vivid in the minds of the American people to be ignored. The lessons of the French and British debacles will not be valueless because the free American press is telling the story and will not hesitate to expose the fallacies and failures of political procrastination.

A radical left wing holds the power. The Administration is afraid of its left and already proposes to ignore the right, from which side comes the genius and the organizing ability to attain the goals of a defense program in the shortest possible time.

The so-called National Defense Commission just announced is window-dressing. The New Dealers remain in control. Decisions will be made by them. Business, which must have relief from New Deal legislation and bureaucratic unfairness, cannot increase the output per man, or tool over to effective production with the knowledge that the Administration may any minute descend with an antitrust suit, a subpoena from the SEC or a warrant from a group of inspectors seeking to enforce the Wage and Hour Law.

Social workers, and not business men, are in command. The President is thinking about reelection. He believes his leadership essential to the crisis. But while he has the confidence of the left wing now, he may be hoping to gain the confidence of the right wing after election. Meanwhile, time flies. Inside the left wing the tendency to distrust the Administration is growing. Hitler must be getting considerable comfort out of the knowledge that America is divided by class warfare and cannot possibly build a good defense for a long time under those circumstances.

Fortunately, the Atlantic and Pacific oceans are still splendid safeguards against immediate attack. Even the collapse of Britain and France will not force America into the war, though it may mean the freezing of our fleet in the Pacific to watch Japan and the development among us of great apprehension about Nazi activities in South America and in and around the Panama Canal. We shall have plenty to worry about if the British fleet fails to stay afloat or falls into Nazi hands. We shall bemoan to no avail the loss of precious months and years, and it will not do any good later to blame the leadership or lack of leadership of past administrations.

The next few months become critical for us. We shall change to an armament economy, of course, and business eventually will boom, but we shall see limitations on profits, and the imposition of higher taxes. It is a time when morale should be high and when the spirit of sacrifice should begin to emerge out of the unity of the people. But it will take a disinterested leadership to do the job, a willingness to play fair with everybody, and there are no such signs on the horizon in Washington under the present régime. Here they are still fighting the 1936 political campaign, and that's the prospect for the indefinite future until public opinion gets wise and makes its protest effective. The Republicans now have a better chance to become a real opposition party than at any time in the last seven years.

June 1, 1940

The inevitability of American entrance into the world war is in the background of almost everybody's mind here, although nobody officially will predict it.

Perhaps a more explicit way to say it is that the American Government has been surprised by the rapid turn of events abroad and cannot foretell what American interests may be vitally involved in a few months. National defense preparations—to be on the safe side—are proceeding on the assumption that America may be forced into the war sooner than anybody expects.

For this reason, the President has asked authority from Congress to mobilize the National Guard if Congress should happen to be adjourned and the necessity arises for calling the guardsmen to the colors.

The sending of a message asking another billion for defense is somewhat of a shock in the sense that a week ago it was not contemplated, but what actually is happening is that the army and navy chiefs are beginning to realize the nation wants to be prepared and is not asking that the cost be counted. It is the same psychology that always pervades a nation when danger approaches.

The army and navy folks here have been hesitant heretofore to make extreme recommendations. They have not known whether they should prepare for any or all contingencies, or stick to the theory of defensive warfare which prevailed before airplanes became so effective. Today the Congress is receiving letters from all parts of the country demanding adequate defense. Hence the drive is on to meet the insistence of public opinion, especially since it has become known that America's weapons are pitifully inadequate for possible emergencies.

The effect of this gigantic drive for defense armament will be to gear up America's whole industrial structure to a momentum which will coincidentally furnish the Allies with

planes and tanks as fast as they wish to transport them. Nobody is talking about technical neutrality any more. The idea now is to build defenses on the theory that no promise made by the Nazis ever again will be valid.

Entry of Italy into the war is confidently expected within the next few days—possibly over the week end.* This means new complications for America. There are millions of Italians in the United States, but most of them are not Mussolini sympathizers. The presence of another minority on the side of the Nazis will add more to the Fifth Column hysteria which is sweeping the land.

The prospect that Italy's decisive stroke may force the Allies to defeat before the end of the summer is envisioned here. If this happens, American defense preparations will not be curtailed one bit, but efforts to get the air, naval and army forces to the desired strength will be redoubled.

The President went further in his message to Congress this week than at any time heretofore in painting the picture of possible involvement in the world war. His most significant paragraph was this:

"No individual, no group, can clearly foretell the future. As long, however, as a possibility exists that not one continent or two continents, but all continents may become involved in a worldwide war reasonable precaution demands that American defense be made more certain."

The African continent will become involved as soon as Italy enters the war. With Europe and Africa added to the area of combat, the conflict may ultimately be fought over a bigger part of the earth's surface than the last war. The airplane distance from the coast of Africa to South America is very short. Already fear of Nazi activity in the South American republics bordering on the Panama Canal has been expressed here, and close collaboration by the United States with governments in South America is now under way.

* Italy entered the war June 11th.

June 3

This is a period in the life of democracy when an old, old slogan might well be revived—that “it is better to be safe than sorry.” It is the basis today of American policy on national defense. It is the main reason why billions are being voted and precautionary measures are being taken even though the hope, indeed, the determination, is not to use any weapons unless absolutely imperative.

Judging by the speeches and comments being made, America is being addressed by two schools of thought. One asks that the nation be calm, that it immunize itself against hysteria and insists that European nations do not intend to attack our interests. The other argues that, because nations no longer declare war, but act overnight, no other country's promises can be accepted as enduring where their own self-interest conflicts vitally with American interests and that a nation well prepared for any attack is a nation secure against danger.

These two points of view run through the various attitudes which are crystallized either in the positions favorable or unfavorable to the President's national defense recommendations to Congress. It will seem surprising that in the face of the grave events abroad any public men could brush aside the possible consequences of a defeat of the Allies by the Nazis or that any public men could seriously advocate a retardation of our efforts to build adequate defenses, but an analysis of many of the comments will reveal that the Propaganda Ministry of the Nazis could wish for nothing better than the arguments being uttered against the building up of American defenses by Americans. This is not to say that any Americans are being influenced by Nazi propaganda. Quite the contrary is true. The Nazi attitude toward American policy began several years ago and has become cleverly interwoven in the viewpoint of many Americans who are innocent of any contacts with the Nazi government or its agents.

For several years an assiduous attempt has been made, for instance, to convince the American people that all wars are made by munitions makers and for profiteering purposes. It has been asserted, moreover, and several so-called liberal authors of books have insisted that the United States was dragged into the last war to protect trade or for commercial reasons. Even President Wilson has been condemned by them as having a selfish motive in leading America into war. This point of view was ignored too long and hence grew into the consciousness of many young Americans. Not long ago a Senate committee investigated the munitions industry's relationship to the last war and the German Government made excellent use of those mistaken findings.

The American Senators were innocent of any part in the studiously developed propaganda just as some American Senators today who are crying loudest about "British propaganda" are unaware that what they are saying is exactly what the Nazis have planted here and there in those academic circles, isolationist quarters or political precincts where almost any argument opposing the President's policy would be seized upon as valid.

The Nazi propagandists know their America. They are too shrewd to come out in the open. They make third- and fourth-hand contacts with members of groups who in turn endeavor to influence American officialdom. The result sometimes can be found in a careful examination of the speeches of certain members of Congress and certain individuals of prominence outside of Congress.

Such a comparison will reveal a uniformity of argument that is amazingly telltale. Propaganda differs always from spontaneous utterance in the identical thoughts or phrases used. The artificiality is not hard to detect. A typical Nazi instruction to its agents here might run as follows:

1. Blame the last war on England. Make it seem a war of

profit and trade, and above all scoff at the idea that it was a war to save democracy.

2. Smear the British as much as possible. Emphasize the war debt question and make it appear that the Allies didn't pay anything. Besmirch the visits of all foreign lecturers and cast doubt on the reasons for the visit of the King and Queen last year. Make it appear that England wants to drag America into the war.

3. Cast doubt on the integrity of newspapers and newspaper men who favor the Allied cause.

4. If the Administration starts thinking of national defense, call the President a war monger. Find out who his advisers are. Start attacks along religious and racial grounds. Get various organizations to write letters to members of Congress who are from the Middle West or from states where large numbers of foreign-born live. Do everything possible to promote discord in labor ranks. Stir up bitterness through the Communist party. Above all make it clear that Germany isn't interested in America or South America. Keep the people of the United States fighting among themselves, and play to the keep-out-of-war sentiments of the people by painting the horrors of war.

Such instructions have been effective or at least the line of argument taken by many in America has been so strikingly similar that it hardly seems possible this form of propaganda is natural. The same sort of boring from within occurred in the smaller neutral countries in Europe and is going on now in South America.

The average American knows that Hitler owns no stock in the American munitions industry and that he alone ordered Belgium and Holland invaded. Press messages from abroad do not artfully conceal the facts. Thus the defeat of the Allies in Flanders is a fact. No British propagandist invented it. Likewise the possible invasion of England is no British idea any more than is the possible capture of the British fleet by

the Nazis as a result of a dictated peace. Berlin itself threatens it.

If the British fleet goes to the Nazis the American fleet will have a job of protecting us in the Atlantic as well as the Pacific. No British propagandist needs to tell any American of the dangers arising therefrom. The test of patriotic Americanism today is hardly whether the United States should or should not enter the war. It is whether the United States should prepare itself for an attack that may never come. With an adequate army, navy and air force, war may never come for the simple reason that no nation usually attacks a stronger nation. The burden of proof today is on those Americans who want to take chances on Nazi promises as did the Norwegians, the Dutch, the Belgians, the Austrians and the Czechs. The average American would rather play it safe than be sorry, would rather pay heavy taxes and spend some billions even wastefully for defense than to allow American women and children to be bombed some day when it is too late to build defenses. That's the crux of American public opinion as it is influencing Congress today.

June 4

Although there are many points of criticism leveled at the inadequacy of America's defenses, it must be noted that Congress is showing an awareness of the problem which for peacetime precedents is unparalleled.

The Congress and the executive departments are moving almost as rapidly as if the United States were in a state of war. Consideration is beginning to be given to possible invasions of South America by Nazi influences, possible misuse of bases in North American waters in the vicinity of islands now held by European governments, and to the thousand and one diplomatic and military problems which must be faced as a pre-

cautionary measure now, or as a war measure later if America is forced into the fray.

The obvious fact that America's production machine needs a speed-up is fully understood by the business and industrial leaders. The government here is finding pressure on this point from the army and navy. Very soon a much more definite governmental relationship to the priority of war needs over peacetime needs may have to be established.

For the moment the expansion of our air forces has received the most attention. Talk of putting the automotive industry into the business of making airplane engines is still talk. What is really needed is the multiplication of the existing aircraft facilities in companies that have been building engines and planes. The automobile companies can tool over for the building of engines on a quantity basis in about a year, and this should be done for reserve purposes, but anything that disturbs the aircraft industry now or diverts its attention may slow up rather than accelerate the process by which airplane bombers become available either for our own use or the Allied needs.

Congress has shown a disposition to make appropriations and to grant authority to executive agencies for defense purposes. As soon as a proposal is made which can be recognized as really for defense purposes, it is acted upon non-partisanly.

The request of the President that he be granted power to mobilize the National Guard during the time Congress is not in session if the emergency requires it has stirred up some opposition because it is related to the question of whether Congress should adjourn at all. If the National Guard is to be called out, it means that thousands of men will leave their jobs and it will involve a dislocation in business and industry and perhaps among skilled workers' groups. Just to call out the guard on the theory that more training is necessary, or to replace in domestic protection the units of the regular army which already are engaged in duty at the Canal Zone or in

Hawaii or in coastal defenses is to raise problems of a far-reaching nature. There are some here who believe America may be in the war before the end of this year or the spring of next year. This is on the assumption that the Allies may be able to hold out and that help from America can be decisive next year.

But if America is likely to be caught in the meshes of war so soon, the military experts would argue that this summer the National Guard ought to be on active duty. Who can guess what the future holds in store? That is the crux of the difficulty. Thus far wishful thinking in behalf of the Allied cause has only served to defer America's preparedness. If anybody in the army and navy could have foreseen what has happened in less than a month this year, he would have recommended the building up of our defenses on a vastly more intensive basis than ever before.

One proposition seems to have been accepted by a preponderant number of Americans. Every poll or canvass of sentiment shows it. The proposition is that if the Allies win, America will not be forced into any war and will be able to build adequate defenses for the next decade no matter what wars may come. If, on the other hand, the Allies are defeated many Americans think the United States is in for trouble of some kind and that there is no time to lose in getting prepared. A minority of Americans want nothing whatsoever done by way of preparation. Unquestionably many of them are sincere and innocent of any foreign influence, but the disposition of Congress is to test Americanism at the moment in a very simple way. Will the proposal safeguard America if war does come? Will the failure to apply the safeguard threaten American security if war comes? The questions are easily answered from a military, naval and aviation point of view, and the experts in each of these fields do not permit emotionalism, prejudice or feelings one way or the other to guide their decisions as to what is best for America's protection.

June 6

The big question now is when America will enter the war. The answer is related to what happens to the Allies this summer. If they are defeated decisively, the United States will stand off and await developments, preparing vigorously for any or all contingencies and keeping the nation on a war basis.

If the Allies hold the Nazis at bay and show signs that the war can be prolonged by enough time to permit America's help to be decisive, the United States will give such help before the snow flies.

The quick changes in public opinion are very impressive. The people are far more apprehensive about security than the Administration. The members of Congress know they can be supported in almost any defense measures or appropriations voted. If the national election were over, the decision would come even more rapidly. We would be on a war basis today.

Against this tide which is sweeping America into war is a substantial minority which insists there is no danger and that America can get along without getting mixed up in Europe. Opposed is the growing opinion that the farther away from American shores the war can be kept by positive action now, the less likelihood there is of bombs falling on American cities if the Nazis, having defeated the Allies, begin to establish airplane bases in and around the North and South American continents.

The issue is beginning to be understood rather widely. The future security of the world is in the hands of the nation which can build the most powerful industrial machine. If the Nazis get possession of valuable raw materials and enslave millions of workers, they can outstrip us in industrial production because we will never sweat labor or tolerate the long work weeks which the Nazis impose.

The next few weeks will prove decisive in American history

—indeed in world history. The Churchill speech vowing a never-ending war against the Nazis is accepted as courageous here, but as meaningless in the face of Nazi superiority of mechanized and aerial warfare. If the seat of the British Empire is Toronto, Canada, before next September, it will occasion no surprise to our military experts who all along have said the Allied governments were underestimating the Nazi strength.

What form can America's help take? The mere announcement that American credit and industrial resources will be thrust into the fray would stiffen Allied resistance. The presence abroad of substantial units of our destroyer fleet and some of our airplanes would be immediately of great value, especially as the Nazi airplane strength is decimated by the fierceness of the combat this summer.

The Administration is proceeding on the theory that war is inevitable. It would have been a fortunate thing for America if this had been the Administration policy even as late as a year ago. The President had excellent sources of information. He felt sure Hitler would go to war. He knew it early last summer, but he preferred not to make an issue of it when he let Congress adjourn. Did military sources in the United States know about the disparity between the Allies and the Nazis? If so, it seems incredible that America was not aroused to action sooner.

But now that warning has come, the citizens will begin to ask if all possible steps are being taken. Unhappily the report to them must be for the moment negative. Red tape and politics have bogged us down at the start. We are losing valuable time. Hitler must have counted on this year 1940 with its internal political dissension for America.

The issue, however, will not be whether or not we shall enter the war, but what state our defenses will be in if we are compelled to drop our neutrality status.

Taft is out in front at the moment. Dewey is losing ground.

Willkie's stock is rising rather remarkably. Hoover's friends are working for him just as if he were an active candidate.

President Roosevelt will be renominated and will accept.

June 7

The months of June, July, August and September may prove to be the most critical in the history of modern civilization. Since May 10, when Holland and Belgium were invaded, so many things have happened inside the United States and particularly in Washington that it seems almost fantastic. Within a few weeks the democracies of Europe have been struck a blow that may prove fatal to them, and the United States may find itself without the protection of the British fleet in the Atlantic and perhaps powerless to withdraw the American fleet from the Pacific if Nazi machinations in Tokyo should succeed in developing a war threat in the Far East.

If ever there was a time for Congress and the Executive to stay in the national capitol to protect the national interest the present situation is such an occasion. It will be recalled that Congress stayed in session the greater part of the time when the United States was at war in 1917 and 1918 and this notwithstanding the fact that virtually dictatorial powers were delegated to the Executive. In America as in Britain there is no objection to delegating vast authority, but at the same time the people like to feel that their elected representatives are vigilantly watching to see whether powers granted should be suddenly revoked, substantially modified or enlarged.

June 8

Technical neutrality is about all that is left now of the policy of the United States Government in relation to the European war. Assistance to the Allied cause now has

become an openly operated program without apparent fear of involvement in the war.

The issuance of a ruling that the United States Army now may sell any obsolete equipment such as rifles or munitions or planes is the first step along the lines of a benevolent neutrality which is perhaps not unlike that which Italy has maintained since last September.

If American public opinion were not absolutely preponderant in support of the Allies the Administration would not have dared to cut red tape and ignore the spirit of neutrality. As a matter of fact, the United States by its embargo policy last year swung so far away from traditional international law and custom that only now is it beginning to be realized that the Allies would have been better off if America had put no obstacles at all in the path of Britain and France.

The historic idea of neutrality is that citizens and private ship owners can sell and transport any and all kinds of war munitions to belligerents. It has been customary, however, for governments themselves to avoid any sale of ships or supplies direct to belligerents. The moment a government enters into the picture either to finance the transactions or to sell any of its own military supplies the so-called neutrality is gone.

The American Government still gives a semblance of obedience to the proprieties by declaring that the rifles and ammunition in its warehouses can be sold to private munition makers as a credit against new purchases. This permits the private companies in turn to sell the obsolete equipment direct to the Allies.

It's just a way of circumventing the restrictions of a law which popular sentiment would like to see ignored anyway. But this is so mostly because the people approve steps short of war in the hope of casting enough weight into the balance in favor of the Allies and possibly avoiding participation as a full-fledged belligerent.

The Nazis know that the American Government's course is not strictly neutral, but it ill behooves Berlin to invoke international law when the invasion of Belgium and Holland is so vivid in the memory of outraged citizens all over the world.

The incident, however, is significant of what is coming. America will gradually find ways of giving more and more assistance to the Allies. It will be done within the flexible limits of national defense policy through the executive branch of the government and thus avoid the delays which a small minority might interpose if specific authorization were sought by a change in the laws themselves.

This method of circumventing a law is not new, but in a time of national emergency the failure of any considerable number of Senators and Representatives to protest will be taken to mean the move has their hearty acquiescence.

The growing desire here is to do anything to keep the war zone as far off as possible and this means that the majority feel every aid should be rendered the Allies by cutting red tape and construing neutrality rules in a manner consistent with the forms but not the spirit of impartiality that has heretofore existed.

This procedure means that loans may ultimately be made which the Johnson Act would ban. Thus Canada is eligible for credit among the banks of this country. There is nothing to prevent commercial credits from being approved presumably for Canadian non-military uses if the Washington government wishes to construe the laws liberally so as to accomplish the desired objective, namely, the protection of the Dominion of Canada against foreign aggression.

America wants to avoid active belligerency if possible and that is why, to all intents and purposes, the war resources of the United States are being rapidly placed at the disposal of the British and French governments.

June 13

War in a formal sense may not be declared, but in a realistic sense America is in the war now. With the government selling its own weapons for Allied use, it is only a question of weeks when further aid will be extended. Neutrality even of the technical sort is gone and Congress may be asked soon to remove any or all restrictions on the statute books which interfere with the free movement of American goods or ships. We may, for instance, insist soon on the right to convoy our own vessels to British ports to carry food to the civilian population. It is justified under international law.

Whether or not the French are defeated and England has to go it alone for a few months till American-made airplanes can come to the rescue, the prospect now is that an early peace is out of the question and that long, guerrilla war is in store for us.

We can expect trouble in South America. The Nazi maneuver obviously is to keep America's eyes turned toward the Canal and defense measures in this hemisphere, hoping thus to prevent the flow of troops or ships from our shores to Europe as in 1917.

Congress is in a somewhat bewildered mood. Hitherto it has been strongly isolationist, but public opinion has swept along so fast toward the President's viewpoint that isolationists are timid about making a fight in the Senate or the House.

The controversy over adjournment is really based on a fear inside the Administration that its hands may be tied while Congress is in session, and that decisive action can be taken more quickly if Congress is away. The opposite is true. With Congress present, the movement of the nation into war will be much more likely to win sanction than if the same steps were taken without legislative approval or prompt ratification immediately thereafter.

In the background, driving hard for adjournment are the New Deal strategists who fear that, in a prolonged session, the Smith bill amending the Wagner Act which passed the House might get through the Senate. Likewise, there is a fear that Wage and Hour laws and other so-called social legislation may be modified more drastically than is actually necessary for national defense reasons.

The Administration, too, would like to give the impression that the President can handle the whole situation alone, an impression designed to build up the supposed necessity for a third term. On the other hand, it is natural for the President to want to be rid of a Congress with opponents in it who can embarrass him on national defense measures.

The best prediction at the moment is that Congress will not adjourn, but will recess over the conventions and stay in session the remainder of the summer, or at least till the foreign situation reaches a deadlock—if it ever does. It would not be surprising if the Congress stayed in informal session the rest of the year, with some agreement between the leaders to shut off legislation on domestic issues till after the November elections.

As for the political conventions, the feeling exists that the President will accept the third nomination.

Willkie's prospects are getting brighter every day. The politicians have had their eyes opened to his popular strength. On foreign policy, he satisfies all the pro-Ally groups. On domestic policy, he may win the support of some of the American Federation of Labor leaders and farm groups. He is coming strong as a possible nominee. Will the politicians put aside the routine and nominate him, or will they stick to their old customs and nominate Taft because he sizes up better to them from the political organization standpoint? The race now is between these two.

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June 14

Just as important as the planes being built or the weapons being forged for possible use by America to meet any emergencies growing out of the world war is the strange unreadiness of spirit which is reflected in varying reports from different parts of the United States.

Britain and France were caught unprepared in materials, but the heroic efforts of the troops in Flanders indicate that within the minds of the men on the battlefield rested a spiritual strength which enabled them to make the supreme sacrifices without flinching.

Spiritual preparedness is often referred to as an essential part of the morale of an army and of a people behind the lines, but because of its intangible nature it is too often neglected till the zero hour for war arrives. Sometimes spiritual strength is confused with religious feeling or fidelity to sectarian beliefs. The very fact that every army carries along chaplains to conduct religious services and to give spiritual comfort to those who need it is a sign that this phase of war in the past has not been omitted. Chaplains report that in war men accept spiritual help irrespective of the sectarian source from which it is given. There is in critical moments only a seeking of spiritual contacts through the medium of those ministers of the gospel who brave the risks of the front to render such aid.

America is still far removed from the scene of war and may remain so for many months to come, but the great need for the development of a spiritual morale is here. The churches realize that their biggest responsibility is not so much to discuss the merits of the war itself, but to prepare individuals for the more important task of accepting their responsibility in the coming emergency. While war itself is always deplored as a futile loss of a nation's youth, there are those who hold that in a nation where softness and indulgence are the rule

rather than the exception a spirit of sacrifice leaves its impress on the character and life of a people after a war has ended.

It is a serious question whether the men who went to war in 1917 were spiritually prepared for the supreme ordeal. The theory of the war itself was so abstract—the slogan of making the world safe for democracy evidently meant so little then or afterwards—that Americans between 1918 and 1940 have been inclined to take a cynical attitude toward American participation in the last war. The very unselfishness of the effort has been submerged in a wave of recriminations against former allies.

Today the question is one of actual survival of human liberty. The vanquished will not go on living this time after a treaty of peace, but will become enslaved. The Nazi doctrine is one of involuntary servitude for those whom they conquer.

While the moral incentive, therefore, of troops in this war is to protect the women and children and homes from subsequent attack and their country from subjugation, the fact remains that millions of men as they go forth to battle will for the first time in their lives accept spiritual guidance. When millions of men begin to make sacrifices for a cause, they begin to evaluate their own lives in terms of broad usefulness to the human race itself. They may not have understood the meaning of sacrifice or applied the tenets of Christianity before to their own personal lives, but as the moment approaches for sacrifice to be made it can hardly be doubted that those men will face battle unafraid who will have determined unselfishly to give their lives so that others may live in freedom.

The creation of spiritual strength or the building of spiritual preparedness takes time just as it does to build airplanes and weapons of war. But it is a side that free nations cannot well regard as an afterthought. The impact of such preparation cannot fail to be felt by the millions who do not go to war, but who stay behind wondering whether they are worthy of the sacrifices being made in their behalf. It is not just a matter

of prayer and petition for divine help in a crisis, important as prayer must be, but it is a matter of adjusting the men and women who go to war and those who stay behind to the task of honest self-examination and self-regeneration without which petitions are mere lip service.

The oft-heard outcry for the last two years has been that the rise of brute force in Europe was of no concern to us. Even now arguments that play upon the feelings of some who really want to escape from war because it means sacrifice, find ready listeners because it is easier to say Europe's war is imperialistic or materialistic than it is to recognize the obligations of human brotherhood which Christianity itself has set as the standard of civilization. Spiritual preparedness gets few headlines and stirs up no committees in Congress to expeditious action, but an army and navy and air corps without spiritual strength cannot do what the British did at Dunkirk or what the French are doing as they face heavy odds in the greatest battle of all times. America will need it, too.

June 20

Europe's tragedy is forcing America into a complete change of economic life. Assuming the defeat of Britain as well as France, there would remain three great powers in the world—Russia, Germany and the United States. The place of Japan is undetermined, but it could be alongside the United States if our diplomacy can become realistic.

Since Russia is not well organized from an economic viewpoint and plays little part in world trade, the coming rivalry will be between Nazi and American methods. A military truce by the end of the summer is now envisaged on the basis of a British defeat. If the war drags into the winter, American naval participation may be forced by Nazi behavior toward American problems in the interim.

If the British fleet becomes part of Canada and the Nazis

object, America can get into a serious mixup. If the British make peace and surrender their fleet, America will be in a precarious position, too. The paper navy which the United States has authorized will do no good in the present situation or for two or three years to come. The upbuilding of air power may do more than any other single force. The prospect is America will go in heavily now for an air force superior to that of Germany. All war orders placed by the British and French will be taken over by the United States Government if an armistice between Britain and the Nazis is forced.

So far as a clear-cut definition of American foreign policy on its merits, the chances are nothing will be done till after the November election. The next President of the United States will be given dictatorial powers, beside which the early New Deal ventures will seem tame. But the coming dictatorship will be known as an economic centralization and it will be in the form that economic controls were wielded when the United States participated in the last World War. Politics will affect our course till November.

June 27

What next in the war? Answer that question and you have answered the whole domestic problem of politics, government, taxes and business regulation generally.

Wishful thinking has dominated Washington for a long time. Belief in the invincibility of the Allies has caused America to delay vital defense preparations. Today there are no "Allies." It has changed to the singular. One empire alone fights on. And now there is grave doubt whether the British can hang on through the rest of the summer.

Clearly the future depends on what the British dominions want to do about it and what Canada in particular shall decide. Since Canada is our next-door neighbor, we may have an acutely practical problem to solve before many weeks.

If Canada becomes the seat of the British Empire, will the Nazis hesitate to find ways to bring the war to this hemisphere, and, if they do, what shall America do?

There is another possible development. It involves British defeat, and inability to transfer her fleet to American waters. In such a case, the British dominions in this hemisphere will be even more dependent on protection by the United States than before, especially in dockyards and naval facilities.

Formal surrender by the French fleet when the French Republic was beaten on the field of battle last week gives an idea of what may be expected if the British are invaded and forced to surrender. Once the British fleet goes to the Nazis, it will never come back. Hence what happens to the British fleet is still a worry for the United States, irrespective of what the platform makers or orators at the Republican National Convention at Philadelphia may say or do.

America is in for a tough time during the remainder of 1940 anyway, and the only development that may give us a chance to get our breath and do a little constructive planning will be some kind of stalemate. This might take the form of a deadlock as between sea power and land power in British waters, or it may come out of a peace signed by Britain in which Canada, possessed of the fleet, will not give assent.

That we are committed to a huge defense program no matter what happens abroad is clear. Faith in Nazi promises is at the zero point. Trade warfare will produce differences of opinion among us and we shall have plenty of economic appeasers who will say it's only common sense to deal with Hitler, while others will insist on fighting the economic battle as the only way to prevent our nation from eventually being plunged into military combat with the Nazis.

Because we shall have such domestic unsettlement in consequence of tragic European conditions, including demoralization of world trade generally, public opinion will favor government control of all foreign trade and the handling of all

exports by a central agency. This pattern will be followed by governments throughout Latin America. We probably will apply economic pressure to persuade all the other republics of this hemisphere to play ball with us. At the first sign of a turn toward Germany on their part there will be a withholding of United States aid of all kinds.

BEFORE THE ELECTIONS

July to November 1940

July 11, 1940

Roosevelt will be nominated and will accept. This is the latest survey of the situation as expressed by everybody in Washington who has had the slightest access to the Roosevelt viewpoint. The Farley interview at Hyde Park last Sunday has led to hints around the national capital that the President will agree to make the race.

The grounds or justification for breaking the third-term precedent, from the New Deal viewpoint, will be the war situation, the need for continuity in foreign policy and in management of the defense program.

Willkie himself has said he would welcome Roosevelt as a candidate. This has probably been said facetiously, but basically it represents a democratic principle, namely that the question before America will be whether the New Deal should or should not be continued in power and that Roosevelt embodies the issue. Willkie's thesis is that the New Deal has failed to provide economic organization for America at a time when economic stability and efficiency are so much needed for national defense.

A Roosevelt-versus-Willkie campaign should be the most interesting we have had in a lifetime.

The big question of the hour is how far down the Willkie popularity has penetrated, how far the labor and farmer vote will be affected by the smear strategy. But then we have not had the experience since T. R.'s day of a man who can give blows as quickly as he takes them.

The ideal ticket which the Democrats in Washington think the country would like is the Roosevelt-Hull combination.

This is supposed to be ideal because it presents a conservative with a New Dealer.

July 17

Exactly as arranged in Washington last week, before President Roosevelt's personal representatives left for Chicago, the delegates of the Democratic National Convention were officially given to understand by Senator Barkley in a formal fashion last night that Mr. Roosevelt is not a "candidate" and does not desire renomination.

Just as exactly did Senator Byrnes of South Carolina, another spokesman for the President, only a few minutes afterward, tell the delegates to come back Wednesday and "finish the business for which we came, namely to draft President Roosevelt for renomination."

Coincidentally, a mechanized demonstration was heard whereby the same voice yelling into a floor microphone named state after state delegation as wanting Roosevelt.

The artificiality of the whole procedure was transparent. The third termers presumably believe the people will accept all this as spontaneous. Likewise, the people will presumably believe that the presence in Chicago of a committee of five, consisting of Cabinet members and Administration Senators, to look out for the President's interests and keep the delegates in line was without his knowledge or consent.

July 18

Anything written about the 1940 Democratic National Convention at Chicago now must seem like a post-mortem.

Those of us who attended will not soon forget the sustained impression of insincerity and artificiality. Are the people—

as Harry Hopkins once said it—really so “dumb” that they will swallow what’s happened?

Well, many in the press section are against a third-term nomination. But what they most resent is the impression sought to be created that Roosevelt had nothing to do with the winning of the third nomination. They have seen the inner circle of the New Deal operate for more than a year on the various state delegations and they have seen the Administration spokesmen—Cabinet members and Senators—operating at Chicago.

All over Chicago the Administration henchmen were busy. The delegates, for the most part led by political bosses, expressed themselves vehemently here and there in private about the third term, but, since a hand-picked group of delegates with Administration control was in the majority, the dissent didn’t amount to much.

President Roosevelt has made the mistake of believing that the nomination he is about to accept was tendered him through no act of his own, directly or indirectly, influencing the delegates to the 1940 convention.

Yet for the last several months members of his own Cabinet, without a single word of repudiation from the President, have gone about the country lining up the delegations and participating in the backstage maneuvers which have brought these hand-picked delegations to Chicago.

This cannot have gone on without the knowledge of the President, for it has been printed in the newspapers and has been the subject of conversation from one end of the country to the other. Does Mr. Roosevelt believe he is not responsible for the acts of his own Cabinet, his own appointees, his own agents?

The debate as to whether in the present emergency a President should be renominated for a third term may bring honest differences of opinion, but there can be no persuasive answer to the fact that a President of the United States, by his silence

and by the acts of his own immediate official family, has permitted a situation to develop whereby the candidacies of all others have been squelched.

The purpose of Mr. Roosevelt in having a third-person statement made in his behalf by Senator Barkley instead of in the first person may seem a little odd, but the speech of acceptance which will be made in response to the so-called draft will have to be a direct statement of the President's reasons for breaking a tradition that has been in effect since the beginning of the republic.

What is more disturbing about the breaking of the precedent is not so much the third nomination itself, but the means used by the Executive to win it. This will for all time be charged against his record.

July 22

Having attended both national conventions there remains to be written into the annals of American history some unvarnished truths about the absence of intellectual honesty at these so-called institutions of democracy.

At Philadelphia politicians misrepresented issues and smeared each other to get votes, but the final outcome was a triumph of the people over the politicians.

At Chicago the deception and hypocrisy were much worse, for it enveloped some of the highest officials who, though drawing salaries from the Government of the United States paid for by the taxpayers of all parties, did not hesitate deliberately to make themselves a part of the machinery of partisan politics. These same officials threw the weight and influence of their employer's prestige to swing the delegates into line for a third nomination in behalf of the man who possesses a vast appointing power and a wide authority over huge public funds and privileges.

There are honest and dishonest men in Wall Street, but all

the speculations of the wicked few cumulated over the years have never done as much damage to the faith of the common citizen in the integrity of democratic institutions, public or private, as was perpetrated in the name of liberalism or New Dealism in Chicago last week.

Grown men, persons of college education and doubtless of membership in the churches of America participated in the fraud—the effort to make people outside of the convention hall believe that Franklin Roosevelt was not a candidate, didn't seek the office, and was actually drafted by an admiring body of delegates only because of the world crisis. Such a concerted effort to fool the people even by the use of mechanized demonstrations over the microphone has rarely been witnessed in the entire history of American politics.

In fairness, however, it must be said that while a majority of the delegates were hand-picked by administration henchmen, a small minority did plainly manifest its dislike of the dictation as it came from the White House. But the fact remains there is no record of it in the platform discussion or in the proceedings of the convention. For all practical purposes it will be recorded that the Democratic party by overwhelming vote nominated a President for a third term and repudiated Thomas Jefferson.

There is, however, a record on the third-term issue made by President Roosevelt himself which will not only appear in the proceedings of the convention, but in the history books of the future, and it will be criticized as long as books are published and there is freedom of the press to criticize. It can be briefly stated: On Tuesday night the President requested and authorized the statement to be made to the delegates that he had "no desire or purpose" to continue in office and that the delegates could vote as they pleased. All through the next day the representatives of the President operated the convention and arranged for the so-called draft and then within forty-eight hours—on Thursday night of the same week—the same Presi-

dent of the United States in a carefully prepared speech announced his acceptance of the nomination.

Why do men in high places resort to subterfuges and devices of this kind? Do they believe that the press reports of what happens in conventions do not reach the voters or will soon be forgotten under an avalanche of government spending or subsidies? Or do they think that a majority of the voters are swayed by appeals to class prejudices and by the smearing of political opponents? Do the New Dealers appraise accurately the intelligence of the majority of the electorate?

Election day will bring the answer, but it must be noted nevertheless that to win an election men in high places have been ready to abandon the morals and ideals of democracy. Winning has become more important than the maintenance of deep-seated principles.

But, it will be asked, why do these men permit themselves to become involved in such a process of hypocrisy? The truth is they really do not consider themselves hypocritical. They resent such imputations and vehemently deny these characterizations. For they readily rationalize themselves into believing that politics is a kind of game in which the only thing that counts is the result—any means are justified to achieve the end desired.

July 25

It is too early to make predictions about the outcome of the presidential campaign but it is not too early to state what are the factors on which the decision will depend. The two principal issues in the campaign will be the third term and the war.

Labor will for the most part line up with Roosevelt, though the A. F. of L. will not be as solidly for the Democrats as in 1936, because skilled labor is antagonistic toward the C. I. O., which has been favored by the Administration.

Farmers will split less favorably to the Administration this year than in 1936. The defection from the New Deal of the farm group in the 1938 congressional elections was considerable.

The middle class will be affected by the third-term question, which will appear as a dictatorship issue.

Conscription as a political problem is something of which the Democratic strategists have not the faintest idea, or they would not have projected it this summer. Back in 1918, even when the war was on, the resentment against the Selective Service Act was so deep-seated that it swept the Democrats out of both Houses of Congress and contributed greatly to the 1920 defeat of the Cox-Roosevelt ticket, though this result has often been blamed on other factors much more visible on the surface.

The masses, especially the families of the foreign born, do not like military service. They will not understand the need for it unless we are going to war soon. The Administration will find itself trying to explain the need for peacetime conscription, while the army chiefs may recommend it and theoretically the draft may be the very thing needed to bolster our defense plan, the fact remains the people believe armies of 1,500,000 are not summoned unless war is near. The Administration, on the other hand, has been trying to give the impression lately that we are not going to enter the war.

The fact that the platform makers at both the Republican and Democratic national conventions found it necessary to trim their phrases to placate the isolationist sentiment of the country indicates that conscription and threats of war create a political problem of the first magnitude.

The tactics of the Democrats will be to maneuver the Republicans into supporting conscription, and many of the latter will agree, but the Republicans will first demand a blueprint of what the coming conscription means before they will accede and this may compel the Administration to talk more about

possible entry into the war than it has been willing to do in the past.

Even smearing tactics will not penetrate very far if there is in the back of the mind of the electorate a deep fear of being plunged into war unnecessarily, and just now it would be a mistake to assume that public sentiment favors participation in the European war.

What may happen if England is conquered is something else. Nobody can foretell accurately the effect of such an epochal event on American psychology, but it is apparent that the fall of France has lessened rather than increased the sentiment for participation in the war.

There is a rising sentiment, on the other hand, in favor of economic strictures against the Nazis, but unless and until there is a direct military or naval threat against the Monroe Doctrine, the burden of proof as to the need of conscription will be on the Administration, which, wisely or unwisely, has determined to tackle the subject in the middle of a political campaign. Probably the reason is that the Democrats want to put the Republicans on the spot as to national defense, but the very reluctance of the Republicans to go along will give the country the impression that the Republicans are less eager for war than the Democrats.

Among the middle class and upper-income groups, conscription will not be a factor, but there the anti-third term and anti-New Deal prejudices prevail anyway, so the election may turn on whether the low-income voters begin to drift away from the Administration on the war issues and, particularly, conscription.

August 1, 1940

Defense situation is far from satisfactory, due to political factors over which nobody seems to have much control. Congress is slow. The President is in the middle of a

third-term campaign. Issues of far-reaching importance to the economic condition of the country are being neglected while the nation is being asked to approve the ordering out of the National Guard and the Reserves.

The real trouble is the unfortunate political atmosphere that seems to have enveloped everything. Industrial production, which is the key to national defense, is being treated to experiments as if the New Deal had just been triumphant and this were 1936. The fear that somebody might make some money out of war weapons is ever so much more important, apparently, than getting the weapons ready at all.

Meanwhile, there is a serene confidence inside the New Deal that it will win the election. This is based on the belief that the public will not want to change horses in midstream and the theory that the low-income elements will stick with Roosevelt.

On the industrial production side, the official statements would seem to give the impression that everything is rosy. But the truth is we are making rather slow progress in increasing our airplane capacity. One reason is that we didn't start soon enough. The other reason is that the vexed amortization problem is not settled yet, having now been tied into proposals for excess profits legislation which means more delay in getting new plants built.

Insiders say the public should not expect miracles but then, if by August, 1941, the airplane capacity is not up to expectations, or at least to what Mr. Roosevelt promised, national defense will have suffered. There will be no time then to fix the blame. The time to get at the weaknesses is now, when valuable time is being lost.

Generally speaking, the dollar-a-year men are doing a good job in trying to get industrial defense under way, but there is little synchronization between the different needs. It looks as if we will be conscripting an army before we can equip it with uniforms and guns and tanks and we will be building

airplane wings and bodies before we get engines and we will be training pilots before we give them enough planes to fly. This is entirely apart from Britain's demand for help.

If we didn't have a political campaign this summer we would be getting the facts before the public more clearly but most persons in the government, including the army and navy, feel they mustn't spoil the political plans of the Commander-in-Chief who is running for a third term. An unusual and unprecedented situation, and one to be deplored, but it's there.

Congress is asleep at the switch, or some of the weaknesses in our defense machinery would be in process of being conspicuously revealed and public opinion mobilized to get remedies applied at once. But the majority of Congress are tied to the President's third-term plans, and the minority feel they will be accused of playing politics if they criticize severely. So all in all the situation drifts along on the assumption that we have years and years in which to prepare for the emergency of 1941.

Not very pleasant writing, all this, but it's a reflection of what's going on in Washington and indicates that, while there will be plenty of money spent on rearmament, the big question mark is when we shall get that mechanized army and that increased navy and that great big air force we have been talking about in such big figures as the Nazis gradually encircle Britain and continue their march to conquer the world.

August 15

The impending battle in Britain colors everything here in Washington—possible effects on our economy, our national defense and the presidential campaign. If Britain is defeated, the trade situation in a post-war world will be different from anything we have ever known. If the war drags on for months and months, the question of American material aid

will come to the fore again and the demand will be not merely for more destroyers, but for the whole American Navy's help as well as our air forces.

The gravity of developments abroad cannot be exaggerated. Official Washington is worrying about the outcome and fears the worst, yet does not know exactly how to prepare for eventualities. The defense program is proceeding slowly, but it was inevitable that little could be accomplished in time for the extension of aid to the British this summer. Constantly the thought has prevailed that before autumn came, the whole face of things in Europe might be changed and that America would be confronted with new decisions based on new realities.

Bewilderment is increased by the conflicting reports of what has been happening. Damage as a result of aerial bombardment is known to be extensive, but each side, for reasons of its own, does not tell all of the truth. The general impression is that England is suffering heavily and that more damaging blows are yet to come.

Within a fortnight, however, the direction of the battle will be known. It will be possible doubtless to know whether a quick ending such as the Nazis have been boasting about is really in the cards, or whether the war is to be a long drawn-out affair. Our defense operations will probably be accelerated if Britain loses. The idea that defeat of the British would mean a collapse of our defense program is erroneous. The Administration plans to go ahead with renewed vigor if the British are defeated.

Efforts will be made by the Nazis to persuade America that further armament is unnecessary, that no attacks on this hemisphere are contemplated, and that there is every desire for resumption of peaceful trade relations.

America will then begin to debate the sincerity of such protestations. The subject will become interwoven in the campaign. A definite "appeasement" clique will arise. This will

produce cleavages just as in Great Britain and France after Munich. In the end, it will be found that the American defense program will not be curtailed, though there may be less anxiety about getting the army mobilized if "peace" comes.

So far as the presidential election is concerned, the New Dealers here think the seriousness of the war situation will tend to benefit them and strengthen the case for continuity of administration. Actually the more serious the international situation, the more concerned the electorate will be about the efficiency of the whole defense operation. Unquestionably the delays and confusion that have surrounded the defense problem since total war started May 10 will become a subject for discussion in the campaign, with Willkie arguing that what Washington needs is an industrial and business leadership, and with Roosevelt arguing that he has already mobilized the best business brains of the country. The truth is the business men in Washington have very little to say about the things that count—the policies such as amortization which are so vital to the building of new plants and which policies should long ago have been settled by an active leadership in the White House and in Congress.

The Democrats may be able to contend that before May 10 nobody was aware of how vital it was to build up airplanes and mechanized warfare, but they cannot persuasively say the same thing about the course of the Government here since May 10.

Valuable time has been lost because of politics and political considerations. Willkie has a chance to appeal to the country on the ground that he can give the nation what Churchill gave England when Chamberlain was removed in the midst of the battle. The question yet to be determined is what Willkie's strategy will be and his acceptance speech this week will give the first indication of how he is going to handle his case in the coming campaign.

August 22

Inside information in Washington from authentic sources is that the British may have reached the turning point in the war and that this turning point is in their favor. Mass attacks have failed to achieve their main objective—terrorizing population and breaking British morale, and the destruction of shipping.

The British have successfully broken up mass attacks and have inflicted heaviest losses as Nazi planes, after dropping their bombs, have turned back home exhausted. The British air force lying in wait has exacted heavy toll.

Official information concerning extent of the British losses corresponds with what the press has announced, but the public has been befuddled by Nazi counterclaims which are not authentic.

The suspension of mass air raids by the Nazis is understood here to be direct result of heavy casualties and that the lull will last until the Nazis can establish airdromes for counter-attacks from the French coast. Unquestionably damage done inside Germany and Italy by British planes has had a profound effect on German and Italian peoples who had been led to believe the British were beaten and war was practically over.

A significant statement in the Churchill speech that the British Navy had conquered the magnetic mine is in line with inside information here possessed by our navy for some time. Exact mechanical means by which floating mines laid by airplanes are rendered harmless is not disclosed, but it is a fact that this menace has been overcome. It is also a fact that British merchant shipping is larger than at the beginning of war and that incoming cargoes are much more extensive despite losses inflicted by the Nazis.

The domestic situation is beginning to crystallize. Mistakes and blunders in the defense program are provoking a smoke-screen alibi from the Administration, which is seeking to blame

greed for profit as reason for delays in getting new plants built. Left-wing publications are being fed data attacking the aircraft industry.

Willkie, planning to open up soon on the whole defense problem, points out that delays are due to incompetence in leadership and lack of coordination in Washington. Since the American people are aroused to the need for efficiency in defense, they will be vitally interested in forthcoming debates. It's the big issue.

The Willkie speech did not make much of a dent on New Dealers, who say they will win an easy victory. But signs are multiplying that the New Deal realizes it has a fight ahead. Challenge to Roosevelt for debate will plague the New Deal for some time to come and will tend to force Roosevelt more and more into an active campaign which he has believed unwise. His theory has been that the nation would rally to the idea of a busy President, preoccupied with defense and international problems and, hence, presumably indifferent to a third term and certainly not in the position ostensibly of seeking it.

Willkie's radio delivery was poor and yet many shrewd observers think he had better retain his Hoosier accent and refrain from becoming a crooner. As the campaign develops, some improvement in his delivery, shortcomings of which were attributable in part to the hot weather in Elwood and outdoor acoustics, may be expected. Undoubtedly Willkie enthusiasts would have been happier with a better radio delivery, and, while they recognize its weaknesses, they express satisfaction with the contents of the speech. Republican members of Congress generally liked it and believe it strikes just the militant note needed to attack the New Deal and its leadership.

Willkie's adherence to the principle of conscription strengthened him with the country because it showed his independence of pressure groups. Nevertheless the party in power will suffer more heavily on account of conscription, especially if the British seem to be gaining the upper hand and the public comes

to believe that the volunteer system should have been given more time.

The outcome of the discussion about the fifty destroyers is still uncertain, but the chances of sending them directly to the Allies is diminished as reports of the British successes come in. Alliance with Canada will be construed as alliance with Britain and this will provoke political debate in the next few weeks. Until after election, little clarification of the foreign policy can be expected.

September 5, 1940

Notwithstanding the window dressing and the constant flow of propaganda, we are not getting the results we ought to get. Air bases in mid-Atlantic may not do us much good if we do not have the combat planes with which to man those bases. The figures of planes on hand are tragically small. Small wonder that Herr Hitler doesn't worry either about the bases or the old destroyers. Neither is a factor he need be concerned about if he pulverizes England.

Inside data in Washington indicates Britain is holding her own but at terrific cost. Chances of a prolonged conflict are increasing but the real tragedy is that American production cannot be of more use to the British when they need it. Fault, of course, is in the fact that politics rule everything here and that all decisions have to be weighed on political scales.

If Roosevelt had not been a candidate for a third term, he could have gotten instant approval for aid to Britain of almost any kind and today the defense machine would be in much better shape than it is. Unquestionably the whole defense program will be materially accelerated after election no matter who wins. The work weeks will be lengthened and, if Roosevelt wins, laws and regulations on the statute books will be ignored in a drive to move the program ahead to production goals.

Meanwhile events are moving rapidly and it is difficult for the public to keep its mind on domestic issues since war is constantly in the background. But truth is our entry into the war in Europe is more remote than it has been for some time unless Hitler should find some pretext to attack or impair American interests as covered by the Monroe Doctrine. There is only a remote chance of entanglement in the Far East this year for the fact is Japan is not eager at the moment to bring on a crisis. Some moves may look that way but in the final showdown, the Far Eastern problem will not draw America or Japan into any serious imbroglio at this time.

Chances of Congress adjourning are slim. May be a recess in another month until after elections but there are some difficult days ahead on tax issues and defense questions. The New Deal would like to see Congress go home but the Republicans will insist on staying here on the theory that the destroyer-air base issue illustrates the danger of leaving matters entirely to the Executive.

September 12

Inside the New Deal there are, of course, some who are absolutely confident of another landslide, and others who are cautiously hesitating to sign house leases or make personal plans beyond January. The real reason for this is the belief that things which may happen overseas between now and Election Day can overnight change the sentiment of the people.

This is a fallacious premise, but it prevails in the thinking of almost everybody. My own belief is that England will not be beaten by Election Day, though severely punished, and that, as the winter wears on, England will work at least a stalemate out of the war picture.

If the war drags on as at present with intermittent raids of severity but no knockout blow, the voters will be influenced by domestic considerations. If there is a knockout blow, a crisis

psychology will be created in which anything can happen. It is incredible that, if the British reach a stalemate and make stalemate peace terms, we should suddenly become more belligerent than the British. Yet this is the plain inference of the Wallace speeches, which, by the way, indicate that the Administration expects the British to go down and America to do battle with Hitler for an indefinite period thereafter.

There is little likelihood of any adjournment of Congress, though frequent recesses for a few days at a time may be expected in October. The conscription issue continues politically dangerous for the Democrats, though it looks now as if the draftees are not going to be called till after election.

September 26

Europe's picture is one of prolonged war. The word "prolonged" may mean a year or two or three but it is the opposite anyway of the "knockout" blow which America has been momentarily expecting ever since total war was launched last May.

This has tremendous significance for the future of the United States in the long-range sense and even more importance in the immediate sense. For our interests have suddenly become almost indissolubly tied up with those of Britain. Her purchases in our markets are huge. Her demands for our raw materials are creating certain impacts on our economic situation which would be interrupted if a sudden end came to the war.

The disturbance would not be for long, however, because the United States Government would absorb all existing contracts at once. We might alter the direction of our efforts somewhat in certain lines, but we would probably not slow up the whole pace. Our neglect of defenses is truly tragic and hence the sooner we can catch up, the more secure the nation will feel in a troubled world.

The one factor that is constantly referred to as likely to

slow up our defense is the belief that Europe will be so exhausted that any chance of attack on us would be remote. But, on the other hand, there is such a thing as an adequate defense no matter what Europe does, and the truth is America does not possess today an adequate defense. We would have genuine cause for worry if Hitler dealt a knockout blow to England, because he would shortly be able to threaten us with an attack. It is not fantastic at all for Hitler to consider a few long-range bombing cruises to the Western Hemisphere from the African coast. The mere fact that he might launch such an attack overnight could have a considerable effect on our diplomacy when it comes to continuing economic warfare against the Nazis after England is subjugated.

The neglect which has attended our defenses will scarcely be realized until the cold figures are viewed and it becomes apparent that we could not resist an air attack successfully, or carry on any reprisals against any German bases in Europe or Africa. We might do something of this sort eighteen months from now, but at the moment we are defenseless, except at sea. It is amazing that the public has been so indifferent to the Administration's failure to build up our defenses since Baruch came back to Washington from Europe in 1938 and told the President that England had capitulated at Munich because she had no adequate air force. The President for a while seemed interested in getting our air forces expanded, but his interest diminished when Berlin launched a propaganda attack against Baruch and Roosevelt.

While a prolonged war seems likely at the moment, there may be talk of peace. It will emanate from Germany where the people have been led to believe the war would be short. Britain's air defense has been a surprise to many in Washington who did not give her any chance of winning. But military judgments are being revised. The factor of morale, always so important in judging a war, has been underestimated by the military experts.

But the experts do say that England's situation is far from secure and that the gruelling air attack may have effects on the morale of the British people if kept up during the winter.

The Nazis do not understand British psychology. If they had, they would never have started the present war but would have negotiated a peace over the Danzig question. The Germans would never have started war in 1914 or unrestricted submarine warfare in 1917 if they had understood American psychology. They still fail to perceive that in a long war America will tend to throw the full weight of her resources on the side of the British and in due time this will mean credits as well as possible naval cooperation with the British. All the arguments for sending the over-age destroyers in order to keep the war from coming to this hemisphere will be made in favor of extending financial credits. Our interests are merging gradually with the British without a formal declaration of war. But war declarations are out of style nowadays anyhow. We are in the war to all intents and purposes and our industrial strength will be the deciding factor.

September 27

War between the United States and Japan must be envisioned as a possibility in the near future.

There should be no war between America and Japan as long as sensible elements in both countries exist. The facts, however, are that communication of peaceful intentions is impaired by a series of events which may slowly drag both countries into the conflict against their own desires and interests.

In Japan there is a military faction which ignores the civilian groups. The United States Government has made repeated efforts to persuade the military in Japan that the status quo in the Far East must not be upset and that part of the world must not be plunged into the world war. Many Americans friendly to Japan have been expressing the same hope and

have been urging, not a policy of appeasement, which means surrender of vital interests under compulsion, but frank examination of all the issues involved so that some peaceful way of dealing with the problem may be found.

If civilizing influences are not brought to bear at both Tokyo and Washington, America and Japan will inevitably drift into war. The problems are by no means unsolvable, but, at the same time, both America and Japan through their governments must be prepared to be realistic and practical.

The United States has every reason to maintain friendly relations with Japan and the Japanese have every reason to remain friendly with America. This is because a friendship between America and Japan is logical and transcends every advantage that might seem to accrue for a new friendship between Japan and Germany.

Germans in the Far East have in the past been difficult for the Japanese to deal with and they would continue to be if Japan contributed to Nazi domination of the whole world. Next, America will always have a strong fleet and in due time will have a two-ocean navy. This can mean only added burdens of expense for Japan in trying to keep up with the armament race set by the richest and, industrially, the most powerful nation in the world.

Likewise, if the military elements in Japan insist on their alliance with Germany, it will leave to America the course of an open alliance with China as a means of harassing Japan. The reason why events in the Far East are becoming grave is that the Japanese realized that they had to choose between America and Germany, and the military party this month has chosen Germany. This can have in the end but one result—war between America and Japan.

For it is hardly to be believed that the United States would allow a situation to exist in the world in which the Nazis controlled the Pacific through Japan, and the Atlantic through a defeated Britain. The day of reckoning might be postponed,

but it will hardly be averted if Japan sticks to her recently announced alliance with the Axis.

There are some who argue that the time for a showdown is the present when China can be readily armed and when the American fleet is already in the Pacific. This state of mind is one of the most dangerous that could prevail, but it might enlighten the military elements in Japan who are pushing toward the Dutch East Indies, where vital raw materials like rubber and tin are produced.

America has been moving through diplomatic channels to impress upon the Japanese that the United States is not ready for a Far Eastern Munich, but is ready now to protect her interests and to insist on the status quo. What this could make possible is a peaceful re-examination of all the issues between China, Japan and the United States. It would be a great diplomatic stroke if the United States were able to project a plan now that would bring about the pacification of the Far East. It can be done if all three parties are realistic about the dire consequences of insisting on the use of force to secure compliance with their respective demands.

What ought to be done immediately is to ask Japan to agree to the appointment of a commission of inquiry composed of prominent men of both countries which should re-examine all questions at issue in the Far East, with particular reference to a possible system of economic cooperation for peace on which the United States and Japan would join with the assistance of China in developing the resources of the Far East. Extension of sovereignty is not important if economic penetration permits a partnership of America, Japan and China in building up undeveloped areas.

Such a commission should not be appointed unless Japan agrees to maintain the military and naval status quo and the United States agrees on her part to permit raw materials needed by Japan to be shipped in the interim. America might well ask China and Japan to agree to an armistice pending the

filing of a report by such a commission. Everybody in Japan and America has more to gain than to lose by peace in the Pacific, and everybody, in turn, has more to lose than gain by an extension of the world war which makes both Japan and the United States active belligerents.

September 28

Are the American people ready to go to war for China and the Dutch East Indies? Do the American people feel they must go to war with Japan in the Pacific or do they believe some basis of understanding with Tokyo should have been reached before this?

These questions are of more profound importance today than any which have faced America since 1917. Up to now the prospect of entering the world war was largely theoretical. Impulsively and without much thought of the consequences the American people approved the sending of aid short of war to Britain, but did not count on Hitler's counter-attack—the ten-year alliance of Italy and Germany with Japan.

The alliance means that Japan has entered the European war and that overnight she can make a sudden attack on the United States,* arguing that whatever aid we give Britain prompts Japan to give military aid to Germany as against the United States.

Formal declarations of war are no longer in style. What the American people face now is a situation in which America has a potential opponent in the Far East, who is in alliance with Britain's enemy. Whatever sympathy there has been for the British cause in Europe and which was hitherto translated into economic cooperation and the dispatch of over-age destroyers now becomes concretely subject to Japanese appraisal of whether it constitutes an attack on Germany or her interests.

Could the Roosevelt administration have prevented the con-

* Japanese attack on Pearl Harbor occurred suddenly on December 7, 1941.

summation of the Nazi-Japanese alliance? Our policy for a long while has been to refrain from applying embargoes, but we have recently imposed an embargo on aviation gasoline, which is vital to Japan's air force. The Japanese military party promptly urged with popular support that Japan must get her oil by seizing the Dutch East Indies. The civilian and liberal elements in Japan have hoped the United States would strengthen their hand by not playing into the hands of the Nazis. The hope has been that a tentative commercial agreement would supersede the commercial treaty abrogated last January.

But for some reason not disclosed—the whole thing has been carried on through secret diplomacy—the Roosevelt administration has pursued an assertive policy. It is a mystery why this has been done when the plain object of the Nazis has been to keep the American fleet busy or preoccupied, at least, in the Pacific, so it would be of no use in the Atlantic as a help to Britain.

If America is ready to go to war with Japan, then the policy pursued is logical. If America is unable to fight Japan without British naval aid in the Pacific—and this latter point is now a doubtful quantity—then aggressive diplomacy was a mistake. The Congress is not consulted on these matters, as we have a one-man government today, and no advice is asked of the people's representatives. The American people are asked to ratify the acts of their Chief Executive after he has involved a nation beyond a point from which there might be an honorable modification of policy.

Realistic public opinion in Japan and the United States can still avert war if America is not bent on defending China or the Dutch East Indies. But if American youth is to be asked to go to war to defend interests five thousand miles away, on the ground that important raw materials are at stake, then it may be said in criticism of the Administration that it has not prepared the way for its policy.

Raw materials are vital to America, but not so vital as they are to Japan. A reciprocal exchange of important commodities is all that is needed to assure the status quo in the Far East. Japan is interested only in her war in China. The moment America brings aid to China, Japan is naturally aroused. Only this week announcement was made of a big loan to be made by our Export-Import Bank to the Chinese. This step may have been taken with the knowledge that nothing could be done to avert the completion of the Japanese-Nazi alliance which has been in process of negotiation for some time. But if this was the case, the action might well have been delayed until after the alliance was consummated, when it would have represented a deliberate policy on the part of America toward aid for China and possible war. On the theory that threats of force are important, it might have had a more salutary effect today on future relations with Japan.

If, on the other hand, the United States was not informed about the Japanese intentions, then our sending of financial aid to China and our imposition of embargoes recently may have been the straw that broke the camel's back in Tokyo.

The American people are in the dark about all these important facts and yet they are supposed to do the fighting when they are involved in war. Governments which pay little attention to the morale of their peoples do not fight successful wars. Nor does an administration which, knowing the dangers in the Far East, has failed to build up our defenses more rapidly seem to be likely to merit approval at the polls. Knowing the prospect of war with Japan, the amortization question so important to the building of new defense plants has been scandalously neglected for two years by the Administration. America has a powerful fleet in the Pacific, but it is a question of whether it was not more important to play ball with Japan so our naval forces could be diverted into the Atlantic than to antagonize Japan by meddling in China and cutting off vital munitions from Japan. Those who want China defended

will have to be prepared to fight for China and the Dutch East Indies. Maybe the American people want Mr. Roosevelt to lead them into war. Maybe they want to keep out and will vote to keep out in the November elections. The difficulty is that events can force a decision for war long before Election Day.

October 3, 1940

The usual pre-election lull has seized the government in all departments except those concerned with defense. Plenty of conversation and planning, but the rate of expenditure of money is relatively slow compared to war time, with indications that considerable speed will be attained by the first of the year.

The New Deal itself is merely biding time, waiting the outcome of the elections. The President, for instance, is not appointing anyone to the Labor Board until he sees what the election indicates. He is avoiding domestic controversies so far as possible and building up the impression that he is interested only in national defense.

The truth is the "planners" are sitting back waiting for the election before bringing in drastic schemes affecting business and industry—all under the guise of national defense. Disputes are being played down now and all friction is being carefully eliminated so as to give the impression once more, as in the autumn of 1936, that business has nothing to fear and all will be well.

Just after the last election, however, came the Supreme Court "packing" plan and later on taxation of surpluses. Need for financing the defense program has raised many questions among New Dealers of how to regulate and control the whole business system.

Clearly the 1940 election is the most important that business has ever faced. Signs of a Republican majority in the House would be encouraging to business if the Republican

party could be expected to become aggressive instead of passive. But the real question is whether there will be a new leadership in the White House.

Defeatism in Republican ranks due to the Gallup polls has depressed party workers. Business men have reflected this in their apparent indifference in many cities to the work that is being done by the Willkie committees. The story is that only seventy per cent of the money contributed by this time four years ago has been pledged. Limitation of contributions to five thousand dollars has made it necessary to look to small contributors, but this is expensive solicitation and leaves a much smaller net than when large contributions were obtained in former campaigns.

October 10

The defense program is becoming more political every day—the Administration is trying to give the impression that everything is proceeding smoothly when it isn't. Business men who have come to Washington see monkey-wrenches being thrown into the program by politics. Attorney General Jackson's ruling about Labor Board decisions being "binding" in relation to defense contracts even before court review of the alleged violations of the Wagner law is an example of the way the New Deal shows its primary interest and concern—the C.I.O. vote.

After election—no matter which way it goes—there must be an upheaval in the defense situation. America simply isn't moving as fast as she should. Willkie's election would mean instant change in the whole machinery of defense, while Roosevelt's election means a lag until it is determined whether the New Deal radicals are to be given carte blanche to work out their "social revolution" at the expense of defense needs.

The biggest issue of the campaign is the organization of America for defense and national unity. Roosevelt has failed

to accomplish this and his attitude toward industry precludes the possibility of his learning overnight to change his political temperament. Willkie can get industry behind him.

The third term issue has been winning votes among anti-third term Democrats, but the mass of voters are going to be influenced by one question—is it better for our national defense that there be no change at the White House?

October 28

When the United States enters the world war—assuming the re-election of President Roosevelt—the American people will not be able to argue with surprise that Mr. Roosevelt has violated a campaign pledge. He has already laid the basis in black and white for a justification of his action.

The Democratic national platform pledge adopted last July and repeated word for word in the President's speech at Philadelphia last week says: "We will not participate in foreign wars and we will not send our army, naval or aerial forces to fight in foreign lands outside of the Americas except in case of attack."

Stated affirmatively, this pledge declares that in case of attack Mr. Roosevelt would send our army, naval or aerial forces to fight in foreign lands outside of the Americas which, if one looks at the map, can only mean European, Asiatic and African territory.

What then is meant by the words "except in case of attack"? Here is a phrase that may prove of historic consequence. The definition given by Mr. Roosevelt, himself, on May 16 last in a formal message to both houses of Congress offers a simple explanation. Here are the President's own words:

"A defense which allows an enemy to consolidate his approach without hindrance will lose. A defense which makes no effective effort to destroy the lines of supplies and communications of the enemy will lose.

"An effective defense by its very nature requires the equipment to attack an aggressor on his route before he can establish strong bases within the territory of American vital interests."

Applying the foregoing definition as readiness to attack an aggressor on his route, the President can interpret at any moment the moves of Hitler in West Africa or in the Martinique region or in the vicinity of any South American country as attack and insist that the United States Navy and air forces must go overseas to the English Channel to attack the enemy's lines of supplies and communications. He can construe a Japanese move in the Dutch East Indies as an attack on our vital interests.

Under the Constitution, few people realize that the President as Commander-in-Chief has the power without consulting Congress to use the armed forces of the United States to repel invasion. Attorney-General Jackson would not be hard put to it to find legal justification for invasion in the very language of the President's message to Congress of May 16 about attacking an aggressor on his route.

Our forefathers wisely felt that the power to repel invasion should be given without need of summoning Congress because in an emergency such power might really have to be employed instantly, but the American people have never before been confronted with such a definition of invasion or attack as was proclaimed in the May 16 speech, nor have they ever before seen the head of the Government of the United States actually in the middle of war transfer war vessels to a belligerent government without asking either before or afterward the ratification by both houses of Congress.

The millions of voters who say they are going to disregard the third term issue because they believe the foreign situation is more important will be assuming the responsibility on November 5 to their fellow citizens for American entrance into the war if Mr. Roosevelt is elected and he subsequently interprets attack as he did on May 16. Citizens will not be able

to argue persuasively that they were deceived by a pledge of peace.

If Mr. Roosevelt is re-elected for a third term, he will be justified in believing he has a free hand to determine the exact moment at which America shall enter the war.

It is unthinkable to contend that the President wants war as such because he himself has said he hates it, but it is another thing for a man to be convinced that it is better for America to attack the aggressor on his route. Many folks in the New Deal think our entry into the war would be largely naval and aerial anyway and that the casualties would be relatively small. Many New Dealers also feel—though not urging war—that war powers would be a lucky break for the maintenance of their concept of social gains because, under war powers, capital and management can be conscripted more readily than in peace time under threat of war.

War, therefore, isn't looked upon by the New Dealers as such a terrible thing. The mothers and fathers and families of the boys who may be sent to Latin America or, if in the air and naval forces, to European and Asiatic bases to attack the aggressor on his route will certainly have no right to blame Mr. Roosevelt, for he has warned them already in black and white of his own interpretation of attack.

AFTER THE ELECTIONS

November 1940 to May 1941

November 7, 1940

Despite the wide margin of electoral votes, the relatively narrow popular majority out of a total of fifty million votes cast explains the presence of an atmosphere of uncertainty last week concerning the outcome.

A small number of persons held the balance of power. The average man usually accepts simple ideas. In this campaign, it is apparent that he believed the Roosevelt argument that to turn the government over to "inexperienced" hands was unwise and that it might be interpreted as meaning peace by "appeasement," thus giving a psychological advantage to the Axis.

The Willkie strategy—to argue that his foreign policy would in the main be the same as Roosevelt's and that the campaign should be decided on domestic issues—failed. The average man either would not or could not put the war out of his mind. At a time when the British Empire was fighting for its life, the voter merely brushed aside third-term traditions, radicalism and all the domestic issues as being of secondary or minor importance.

Such a view cannot be proved conclusively but it is about the only plausible explanation. The Republicans simply did not overcome the constantly reiterated statement that it was unsafe or unwise to swap horses in midstream.

If such an analysis is accepted, it becomes very important as having a bearing on the trend of events and national policy. It can mean this:

1. That national unity cannot be achieved unless the Administration interprets the mandate as approval of its course

in foreign rather than domestic issues. If it be construed as the right to continue radicalism and more New Dealism, there will not be much national unity in substance, though in form there will be plenty of lip-service to the idea.

2. That the President can construe the result as giving him an absolutely free hand in foreign policy. If some day soon he says it must be war, the people will follow him. If he decides on more aid to the Allies irrespective of law or neutrality precedents, the people will follow him. The electorate not only has given Mr. Roosevelt a vote of confidence on what he has done thus far in foreign policy but on what he may wish to do in the future.

Most business people, however, are absorbed in domestic questions—effects on industry of new policies. The trend of the Administration's course in its third term will not be apparent right away. The war will influence almost every domestic policy in some way. The President is likely, for a while at least, to hold the boat steady by withholding any reforms or radical changes of a domestic nature lest it influence morale on foreign policy issues.

What may happen if the war crisis clears and domestic issues become paramount again is dependent on how close such a development happens to come in point of time to the next national election in November, 1942. It is quite likely that, if the war is over in another year or eighteen months, the electorate will consider domestic issues as paramount in the voting next time.

For the immediate future there will be little change in Washington's behavior. More spending of billions on armament can be expected and an even more rapid rate of disbursement. This will bring a bigger and bigger business boom and possibly some sort of inflationary trend in prices.

It could happen, of course, that the New Deal will become more conservative in its handling of fiscal affairs but this can-

not be depended upon, because the job is too big to be done in a short time.

One thing is certain: the Republicans have become cohesive as a minority and will make a much better showing as a party of opposition on domestic affairs than heretofore. Whether the deep cleavages in the electorate will disappear will depend on what the President has learned from the campaign, and whether he will realize that the call for national unity now is a call to those in power to exercise it tolerantly and with restraint. It takes action not by the losers alone but by the victors, too, to accomplish national unity after the bitterest national election in half a century.

November 14

Attention turns now from the business of politics to the business of profits. External factors like the resurgence of radicalism in Washington may be expected as a sporadic development, but the brakes are different now than ever before. They come from the necessities of an uninterrupted national production.

Experimenters are not dampened in their enthusiasm for reforms by the closeness of the popular majority or the threat of a 1942 loss of Congress. The experimenters feel they must remake America and that the war furnishes an opportunity to organize on a large scale some of the plans for state intervention and state capitalism that normal times do not permit.

A vigilant public opinion can restrain extremes but the real difficulty is that business men, on whom should fall the brunt of the task of developing penetrating criticism, are not well organized for economic research into political action and for combating economic fallacies.

The press has a tremendous job ahead—more important than ever before. The heat and ardor of the campaign has to be succeeded now by dispassionate examination of economic fac-

tors in the hope that common sense will percolate in the quarters where devotion to some basic fallacies prevails.

The President himself may prove of greater help in restraining extremes in this coming era than his opponents have been willing to believe. His ambition now is to win a world-wide fame in settling the international situation—either by a constructive peace if the chance comes his way or by an aggressively conducted war if Germany forces war on us. He is unlikely to allow domestic transformation to become paramount but to permit it to come to a head only if it works toward a settlement of the international dilemma. If Britain in the spring finds her shipping losses so bad that she may be starved out or deprived of raw materials needed for her defense, America may find herself making a decision on naval and aerial cooperation with the British. Public opinion, however, will have to demand that cooperation. It can easily be worked up, of course, but the sentiment which developed for sending fifty over-age destroyers in spite of an existing law shows what can happen if a crisis comes.

It is not safe to assume that America will go in or stay out of her own initiative but that the course of the war abroad will make that decision for us.

Meanwhile, the course of domestic affairs will take on a reorganization pattern. Mr. Roosevelt has brought to Washington a lot of business men for the defense program. Some observers have felt this was mere window-dressing for his third-term campaign. But since election there has been no sign that he would replace these business men with New Dealers. That would not be his method anyway. Mr. Roosevelt has never delegated to anybody any of the powers over national defense. He has kept both left-wingers and right-wingers at his side. It is likely that he will continue that way. He wants to manage the defense machine and operate the war machine himself, if war comes. He believes sincerely that he knows more about war than any other living man in America and presumably

he feels there is no need to decide as between left- and right-wing philosophies now.

Where the plan may go awry is in the attitude of Congress, which, by the way, can be expected to manifest a growing interest in both defense and war now that the campaign is out of the way. The problems of taxation and the financing of the war will lead to some drastic recommendations. Business men will fight against some of these, as happened in England, but the intensity of the war crisis will be the mainspring of decision as well as inevitable adjustment to whatever may come.

The unauthorized interview by Ambassador Kennedy probably gives the cue to what may be expected in America. The drift in England, he says, is toward a form of national socialism. England didn't want this development but the war forced it. America doesn't want it but the schemes of the reformers may find coincidental support in the necessities of a war economy. As to whether the schemes will be permanent or merely leave scars once the war is over, the long-range outlook is still Anglo-Saxon, which is not one of acquiescence in the continued suppression of individual initiative and enterprise.

November 21

Refusal by Congress to adjourn in the face of an obvious Administration desire to send the legislative body home is a sign of independence which will give heart to all who were discouraged by the outcome of the last election. For as long as the national legislature shows itself free from executive influence there can be little substance in the cries of dictatorship.

Perhaps the election of Mr. Roosevelt for a third term only serves the more to put the independent-minded in Congress on their guard. While the President said nothing publicly to indicate what he wanted Congress to do, the Administration

leaders who would not do anything that he did not want done tried hard to line up the vote for adjournment.

Back of the refusal to let Congress go home were a number of reasons. First was the fear of a sudden crisis and the possibility that the Republicans would make political capital out of the desertion of their posts by the Democrats. Second was the pressure to take some action on a number of bills that are pending and on which Congress has been deterred from acting only because of the campaign. Third was the desire to keep an eye on the defense program and to be ready to introduce resolutions of investigation if inefficiency or radicalism develops.

The Senate, of course, has a majority ready to vote adjournment but there can be no end to the session unless both houses agree. In the event of disagreement, the President of the United States has the constitutional power to send both houses home, but no executive has ever used this authority and when it was mentioned a year or so ago in a press conference at the White House under somewhat similar circumstances, Mr. Roosevelt authorized an indignant disavowal of such intention.

The action of the House in refusing to permit adjournment does not mean that pending legislation now will go through. The Senate can pass the Logan-Walter Bill, which has already been approved by the House, but it seems certain that unless public opinion is aroused on the subject there will not be enough votes in the Senate to override a presidential veto.

Pressure for amendment of the Wagner Act in any form has lessened through the appointment of Dr. Millis as the new Labor Board chairman, but, unless the A. F. of L. is merely going through the motions of desiring action, something could be done at this session upon the urgent insistence of such labor groups. The White House is not opposed to some amendments but merely fears another clash in the open between the A. F. of L. and the C. I. O., with the Administration catching the brickbats from both sides.

Behind the scenes is a cloud of uncertainty about war issues.

Congress is nervous about the European situation and the possibility of American entry into the war. The Republicans who were re-elected feel they have a mandate to watch any moves that might involve us in war.

What is feared is the possibility that when Congress is at home an emergency might arise which the Chief Executive would feel justified in handling on his own initiative before Congress could be reassembled.

It is significant that twice since total war began in Europe last May the Administration has wanted to send Congress home. On the first occasion the crisis soon showed the need for the continued presence of Congress. In fact, many billions have been appropriated since the effort was made to adjourn Congress in June. Now a second effort has failed and time alone will tell whether this precautionary act on the part of the House was justified.

Whatever may be the consequences, it is interesting to note that the Republicans as the "loyal opposition" succeeded in their first major stroke after the election. They never could have mustered enough Democrats to make a majority if the issue had not seemed persuasive with public opinion.

Often a party line-up is based on a shrewd analysis of what really is popular. At the moment the country feels Congress had better stay on the job and work.

Incidentally, Willkie spoke out forthrightly and urged Congress to remain in session—an example of unofficial but powerful leadership.

November 28

Bewilderment is still the theme of after-election Washington. The increasing gravity of the war situation makes a clear program on domestic policy difficult for the President to formulate. His subordinates are waiting for the cue of his leadership. Reforms seem stymied because what is already "on

order" is so vast that there is far more worry about how to get done what already has been authorized than in seeking new worlds to conquer in the field of social legislation.

This, moreover, is a period of uncertainty in officialdom. Mr. Roosevelt hesitates to fire anybody outright. So he resorts to occasional hints and seeks also to re-locate his personnel in other posts. All this makes for increasing uncertainty and indecision.

But the central headache is the defense program and its management. Despite outward appearances and the ballyhoo, America has not really gotten started on the main defense job. Lack of planning, lack of engineering advice, lack of coordination, lack of authority and, worst of all, lack of definition of purpose are all too apparent. If the decision tomorrow were to enter the war, one set of policies could be formulated. If the decision were irrevocably to aid in preparation only of war weapons for Britain, other policies would have to be adopted.

Talk of shortages in machine tools is a good example of lack of coordination. There is no shortage except in a few rare instances. There is an overdemand for deliveries on particular dates. This means unnecessary anxiety on the part of those who want to be assured of deliveries. A check-up on what deliveries are actually needed would doubtless result in a sensible schedule. But no such over-all check-up is being made. Manufacturers still say to the Government: "What do you want and when do you really need delivery?"

To appoint a coordinator-in-chief would probably help some, but the need is greater. It is for an over-all manager of the whole defense program and some new personnel familiar with planning as well as production. Unfortunately, business is going to be blamed for the failures when mechanized industry really hasn't been consulted about the men who ought to head up the work, and concerning the scope of their authority. The Administration has been so afraid of the political effect of putting a few really able "economic royalists" into the Wash-

ington job and giving them authority that it is temporizing with inefficiency.

We should be thinking of new designs for 1942 and thereafter. If we are to live in an armed world, and it looks that way, we cannot afford to rest on one model or design for anything. Mechanized skill and invention are the need of the hour if we are to plan ahead two or three years.

The next headache is the financing of the war abroad and our own defense program at home. England will soon need credits. Repeal of the Johnson Act, while important, will not meet the situation. Amendment of the Neutrality Act is more necessary. The United States is becoming inextricably interwoven in Britain's financial plight. Talk about the inexhaustible supply of British dollars is poppycock. Unless Britain surrenders in 1941, which would mean a heavier and heavier drain on us in rushing our own defense program, the need for funds to pay for British purchases in 1941 and 1942 and probably 1943 is as plain to be seen as in any continuing operation in private business where the deficits get bigger and bigger.

Unquestionably, the British Ambassador laid this problem on the White House doorstep. With world trade virtually at a standstill except for our exports to the British-controlled areas, we can hardly afford to confiscate all of Britain's gold without ruining exchange in the countries under the influence of the pound, because this means higher prices for American goods in terms of available British sterling.

The exchange problem, the credit problem for Britain, the national defense problem, the labor problem, and the taxation and borrowing problem for our own fiscal needs all add up to as big a combination of problems as any President ever faced. It is not to be wondered at that domestic reforms are sidetracked, as the larger question of solvency for ourselves and Britain remains the biggest worry that Mr. Roosevelt could possibly envisage. His third term will be unprecedented in more ways than one.

December 5, 1940

The direction of third-term policies is still unknown. The President has had a few conferences and there are varying reports as to his attitude toward business, some of them hinting at a conciliatory attitude, but the truth is no definite indication has been given and will not be until the annual message is given to Congress in January.

War necessities are overshadowing all else in the President's mind. He is devoting more time to that aspect than to discussion of new reforms or experiments. The presence here of a large number of business men in the Defense Advisory Commission and its numerous adjuncts has been healthful in producing somewhat better understanding between the White House and industry.

Friction, of course, exists in the operations of the defense program itself and much of it is detrimental to the rate at which war weapons will be produced, but even on this there is no clarification of policy as yet. My own impression is that the President is expecting some of his New Deal advisers who are intimately identified with the defense picture to give him the cue to the next steps.

Congress is a far more powerful influence in restraint of extremes than is generally realized. The fact that the House mobilized such a big majority for the passage of the Walter-Logan Bill indicates that, when it comes to appropriation bills hereafter, especially as they relate to domestic measures, the tendency toward economy will be noticeable. In the next House there will be only a slight diminution in Republican strength and there are many Democrats in the South and elsewhere who are ready to make a House majority.

In the Senate, the Republicans have made an increase of four, but the number of independents is not yet large enough to command a majority for an opposition measure on which

public opinion is aroused. With these barriers to a free hand, the prospects are the third term will be less radical.

The defense program is, to be sure, the alibi that will be used to quiet those clamoring for radical legislation. It may even prove a means of restraining some of the activities of the New Deal under existing laws. Thus the demand for revision of the Wagner Labor Act may gain some momentum if strikes in the defense industries become sporadic. Certainly there is every reason to believe that the Dies Committee will be continued in power and that means more attacks on the communistic influences that have been boring from within labor's ranks.

Talk of peace between the C.I.O. and the A. F. of L. has evaporated. It merely confirms the impression previously presented that the dispute is not so much a matter of personalities as it is a contest over fundamental labor union philosophy.

If strikes seriously impair defense production, legislation requiring a compulsory cooling off period will doubtless be enacted. Foreign government agents will naturally try to interfere with American production as much as possible as Britain's war needs become acute.

As for credits to Britain, this is merely in its preliminary stages. The way is being paved for some form of financial aid. Possibly it will be achieved without amending either the Neutrality Act or the Johnson Act. The RFC and the Export-Import Bank could be utilized to finance American production and to buy in British holdings as a private commercial affair, with the Government here appearing in the picture only as the bank for American commercial interests seeking to acquire British gold production or British equities in American and Canadian companies.

While the British have considerable credit left, their desire is to look ahead and get some constructive action if possible long before the bottom of the barrel is being scraped.

Mr. Roosevelt's mind is on war and aid to Britain. All his

policies will be shaped toward keeping the British on their feet and keeping the war over in Europe. If he does make an issue of it, he could, of course, secure repeal of the Johnson Act or the neutrality provisions that forbid lending to foreign governments. But it is doubtful whether he will wish to precipitate such a debate, and if there is a way around it without legislation, or by consultation with Congress, that way will be found as it was in the case of explicit laws forbidding the sale of the over-age destroyers.

December 5

The official count in the last presidential election is almost complete and the tally thus far shows that outside of the ten states in the Solid South, President Roosevelt's plurality was 2,490,938.

Out of the 49,366,313 ballots cast for the two major party candidates, Mr. Roosevelt received 27,043,427 and Wendell Willkie 22,322,886 in all forty-eight states.

If the ten states in the Solid South are omitted, the total Roosevelt vote was 23,807,903 as against the Willkie vote of 21,316,965.

This differential of less than 2,500,000 votes in the thirty-eight states outside the Solid South out of a 50,000,000 vote election is one of the most remarkable in history. For when one examines the variations from section to section and from state to state, there is hardly any explanation for the way one state behaved as compared with another.

Thus the official count for Kansas shows Willkie to have been the victor by a plurality of 124,444, yet four years ago Governor Landon, the Republican nominee who hailed from Kansas, lost that state by 66,793 to President Roosevelt. The State of Maine, however, which four years ago gave 42,490 majority, was carried by Willkie this year by a majority of

only 7,473—perhaps the smallest in any presidential election in many years.

Just why Kansas should be overwhelmingly Republican this time and Maine, a normal Republican state, should show such a sharp loss is something which the analysts of the election of 1940 will be discussing, but hardly explaining for many years to come. There have been reports that Maine's result was affected by the presence of a large number of French-Canadians and other foreign-born who cast their ballots on the theory that more aid to Britain would come through Mr. Roosevelt than through Mr. Willkie. But inasmuch as there is a secret ballot, nobody can tell exactly how the foreign-born registered their votes.

The tally in Illinois is interesting as a reflection of the closeness of the race in some parts of the Middle West. Thus out of a total of 4,197,174 votes cast, the Roosevelt majority was 102,694, but in the State of Iowa, next door, out of a total of 1,211,170 votes cast Mr. Willkie won by a majority of 53,520.

This will be commented on no doubt as being the difference between a semi-agricultural state in which there is a metropolis like Chicago and an agricultural state with smaller cities, for there is no doubt that the bulk of the majority for the President was obtained in the large cities. Recently some figures were published to the effect that the President had a plurality of 2,414,366 in the eighteen largest cities of the country, which is almost the same as his plurality when the Solid South is excluded. Unquestionably in many instances the large city vote for Mr. Roosevelt was materially cut down by the votes for Willkie in the small towns and rural districts and unquestionably also the large cities swung many a state into the Roosevelt electoral column.

Four years ago about nine cities accounted for a major part of Mr. Roosevelt's 8,500,000 majority outside the Solid South.

The Republicans, therefore, while not so weak in 1940 as

in 1936 in the country as a whole are still considerably on the deficit side when it comes to the city vote in the northern states.

Four years ago nine cities accounted for 3,163,889 of Mr. Roosevelt's majority outside the Solid South and they were strategically important enough under our electoral college system to bring about a total of 336 electoral votes, including the Solid South.

While the city vote has not yet been separated from the rural vote in all states as yet because final figures on that basis are not yet available, it would appear probable that from the returns already published the same nine cities again accounted for the bulk of the electoral margin which Mr. Roosevelt received.

These nine cities were New York, Chicago, Philadelphia, Boston, St. Louis, Los Angeles, Detroit, Milwaukee and Cleveland.

Four years ago these nine cities coincided with the list of the first ten counties receiving the highest relief appropriations in the country. But again there is no way of telling what proportion of the city vote was due to relief or to the vote of foreign born or to labor's efforts in behalf of Mr. Roosevelt.

One thing is certain from a study of census data. The cities contain the largest number of workers in the ranks of unions, and Mr. Roosevelt's policies ever since 1933 have been favorably received by the rank and file of the laboring people of the country. Four years ago Mr. Roosevelt could have forfeited his entire majority of 2,800,000 votes in the rural areas had they been strategically placed and still have won by 336 electoral votes, and this time even though Mr. Willkie undoubtedly had a majority outside the large cities it was not enough to overcome the lead in the principal urban areas of the nation. The Republicans might well focus their attention on the cities if they expect to shape party policy toward a successful result next time.

December 12

The job of production of national defense weapons for ourselves and financing the orders placed by the British is the immediate burden that is weighing down everything else in Washington. Domestic policies, third-term moves, legislative programs, all hang in the balance because Washington doesn't really know what its absent President has been thinking and planning while vacationing.

Even the radicals among the New Dealers admit a feeling of marking time—waiting for the cue. Inside the Defense Advisory Commission there is plenty of talk about impending change. It all centers around the selection of someone to boss the job rather than any new form of organization, though eventually some revision of the functioning agencies may also be developed.

Mr. Roosevelt is out to beat Hitler and win the war. It's the biggest possible goal that he can reach for now. If historians will record that his policies caused Hitler and Hitlerism to topple, he will feel that much of the criticism aimed at him for accepting a third nomination will be minimized on the pages of history.

To build a defense program, supply the British with their needs and win the war, Mr. Roosevelt must find a way to energize and stimulate American industry to peak production and efficiency. He can't very well keep on haggling about more reforms, nor can he keep on needling industry when he needs its cooperation. He must find a way to finance the tremendous expansion of our own industries, not to speak of the financing of British orders.

Can he do only this and beat Hitler or will active use of our war weapons be needed? One thing would appear out—there is no thought here of a formal declaration of war. The questions, "When will we enter the war, or will we enter it?" presuppose that we are living in a world of declared war, though

we know the present conflict started in Europe and another one has been going on in the Far East without a formal declaration of war by the aggressor states.

Unless Germany or Japan decides to recognize a state of war with us some day, we shall never take the initiative in that respect and issue a formal declaration.

Some legalists think we are in the war now, or rather that Hitler could have regarded the sending of over-age destroyers as an act of war. But the fact is he hasn't done so. The big question, therefore, for Mr. Roosevelt to decide is whether some formal declaration of war or recognition of a state of war is necessary in order to acquire war powers inside the United States.

At present it would seem that the President has ample power and that, if American interests are attacked in this hemisphere, he has plenty of authority "to repel invasion," as the Constitution phrases it, without asking for authority from Congress.

We can slide into war very easily by agreeing to patrol the Atlantic in and around all our new bases and perhaps by putting our naval air forces into those bases for scouting work. England needs patrol work to aid her in repelling attacks on her convoys. American cooperation could relieve her of the need for stagnating too many of her own patrol vessels in the Atlantic. A naval engagement or aerial combat might readily develop out of Nazi retaliation. Again America would simply say this was a protection of our interests and not formal war or active belligerency. And again Hitler might, for his own reasons, decide to ignore it.

So the query as to when we will become a full-fledged belligerent in a legal sense will have to be answered by the Axis, and the question of when we will become a full-fledged belligerent by allowing our naval and aerial forces to cooperate actively with British patrols is going to be answered by events as they arise from week to week, if indeed there has not been

some sort of cooperation along this line already. But so long as the Nazis don't construe it as war, it is not "official" war, and hence proclamations declaring a state of emergency will not be forthcoming from our end either.

December 19

Realism has been substituted for theory.

The big goal is to win the war against Hitler. Hence every practical plan toward that end, whether or not it involves legislation or billions of dollars, will be pressed by President Roosevelt. His feeling is that the country approves extensive aid to Britain—in fact, anything except sending men to fight.

Existence of various groups and committees arguing against possible involvement in war is fully recognized, but the President thinks public opinion is overwhelmingly on his side and will even sanction war if an issue ever arises requiring such a decision. Such a decision is not expected, simply because Hitler has not chosen to force it and may never do so. If Britain collapses, however, the issue may come quickly, but minds in Washington are concentrated on preventing such a contingency from arising. Feeling is that the thing to do is to keep the war away from our shores as long as possible by strengthening the British side with every resource—financial, economic, and moral.

The tendency is to regard Britain as a laboratory for our defense preparations, giving her weapons to use so we can improve our designs and adapt our military equipment to developments. Obviously there will be much waste, but the President feels the country will not object to vast spending if active war is thereby avoided.

Coordination problems loom large in the headlines but they will quickly disappear as soon as authority is delegated, which is expected to be very soon now.

Looking ahead, the biggest question is how far the defense program is going to require changes in the normal business

operations of the country. Bottlenecks are relatively few, considering the size of the present program, and the chances are that most business in consumer groups and many in heavy industry lines will not be affected for awhile by the need for establishing certain priorities. Consumer purchasing power will grow in volume because defense money is spent within our borders. While this is synthetic prosperity, it is nevertheless one that has to be considered in estimating the 1941 tempo. Preparation for the day of reckoning on fiscal affairs will probably await the final turn of the crisis in Europe.

Belief here is that Mediterranean developments may furnish the first real break for the British. Everybody assumes Hitler is worried about the Petain government and that the latter has considerable leverage now in the presence of General Weygand and remnants of the French fleet in Africa and vicinity. If Hitler presses too hard, the defection of Weygand and the colonies and the French fleet may result. Should this occur, Italy may find herself defeated and facing revolution. This in turn would affect the whole Balkan area and create new and troublesome issues for Hitler. What's happening at Vichy may, therefore, be a key to immediate changes in the war picture.

The other side—in the event of a status quo in France—is one of dismal fear that the winter will see a gradual attrition process with respect to Britain's productivity and a vulnerability to attack and invasion by Hitler in the spring which was not present when bombardment of Britain began last summer. The British have increased their naval forces materially and are being relieved somewhat by the presence of an American neutrality patrol which, it is suspected, is of potential aid in locating commerce raiders.

Talk of declaring a national emergency and putting America on a war basis is only talk. Ardent advocates of greater efficiency in production think it is necessary at once, but the President is aware that this may introduce complications in the domestic situation and give rise to many thorny problems. Labor might

be the first to become distrustful. As it is, the President hopes to stabilize the labor situation through the medium of public opinion.

The President's policy will be to let nothing interfere with the extension to aid to Britain, but to move slowly on the domestic front so as to avoid any more economic disturbance than is absolutely essential while the defense program is developed. The airplane production schedule is far behind. It will continue to be until the President delegates authority to a real speeder-up who knows and understands the over-all picture. Within a month the story may be one of greater progress, since the problem is an administrative one. There is as yet no fundamental shortage of materials, management or know-how.

December 26

On paper the new Office for Production Management can be anything you wish to make it. It is a characteristic bit of Rooseveltian strategy—to keep both sides guessing yet theoretically making concessions to each.

There is and there isn't a boss of defense. If Knudsen asserts himself and insists on production responsibility, he will get results. If he goes beyond the requirements of production and runs up against a favorite New Deal policy, he will find himself back into the political debate—and on that Mr. Roosevelt's decision or rather his finesse of adjustment comes into play.

The President is a shrewd manipulator of ideas. He knew that to make Knudsen the boss would make labor distrustful. This distrust might be baseless but it would be there just the same. So he counters the potentiality of distrust with the appointment of Hillman as "associate director" and thus postpones the argument till some concrete friction arises—which, behind the scenes, he hopes to prevent by his own persuasiveness.

Britain has had to face something of the same sort—the demand of labor for an equal, if not dominant, voice in every-

thing. The unfortunate truth however is that in managing production it is necessary to have someone make decisions and not to invite endless debate. Knudsen is a good production man. How much he will be able to influence the over-all picture, which is a delicate combination of planning, policy making, engineering and a certain knowledge of Washington politics, remains to be seen. He will succeed to the extent that the President lets him succeed, which is but another way of saying that everybody here knows exactly what the trouble is but refuses to meet it head on.

The trouble is that America has been whipped up to a state of economic disunity by a class war which the New Deal for purposes of its own found politically advantageous. The end result of seven years of cleavage is friction and distrust that isn't curable overnight. And yet production is an engineering and management job—it isn't something that can be handled by political compromises and evasions. For the job can be measured any hour of the day or night by a simple formula—how many airplanes, for instance, are being produced, how many were produced last month, and what can be expected next month—and how much do the British need now that their factories are being pulverized?

The present Office of Production plan may last three months or four months. It will be improved. It does not yet strike at the root of the difficulty—an over-all planning and administrative operation which cuts through red tape, politics and pet New Deal policies and gets America converted into a factory where there is no nonsense, no bickering and no pink teas but hard-boiled performance. Nothing like that is on the horizon.

There will be little progress made until production becomes the chief job of the nation and everything else—including politics and political friends—is pushed aside in the rush to get things done.

All this is not to say that the Office of Production, and the new set-up, isn't an improvement over the bickerings of the

National Advisory Commission for Defense. The President deftly got rid of that outfit by shelving it and yet giving the impression it will keep on advising. The new Office of Production is a step toward a goal—perhaps only an intermediate step. Ultimately the President will have to delegate power—rather complete power—to a production chief who will have to place the responsibility for interruptions to production squarely on the attitude of mind of all those who think they can have their cake and eat it—that part of management which wants to be rid of legitimate labor restrictions and that part of labor which wants to use the emergency to increase memberships and economic power. Public opinion—which means radio speeches, newspaper statements and the like—will be counted on to force a change of attitude on the part of all concerned, but the task would be immeasurably hastened if Congress woke up to its responsibilities and began to get the facts of what is going on in our defense program out into the open.

January 2, 1941

President Roosevelt's radio address was as much a declaration of war on the Axis powers as if it had been submitted to Congress in the form of a war message. The only thing lacking was the use of the words giving the legal or technical definition of a state of war. This has been outmoded anyway by Japan's "undeclared" war on China and by Japan's "undeclared" war on the United States through the signing of an alliance with Germany directed specifically against America.

Mr. Roosevelt's bold move has behind it an overwhelming public opinion, judging by the almost unanimous praise of the press, the vast majority of which only a few weeks ago was fighting against his re-election. The presence in America of a minority of the isolationist school of thought cannot be ignored, but Mr. Roosevelt has declared war on it, too. Plainly the re-election of Mr. Roosevelt encouraged him to go ahead on the

present course and, noting the rather strong support which has come from Republicans in Congress, the incident rather refutes the notion that Wendell Willkie could have won the campaign by adopting the isolationist side of the argument. In fact, Washington hears Willkie will openly support the President's policy soon.

Clearly the President and his supporters have put across persuasively the argument that it is not for love of Britain but for ourselves that it is wise to keep the war in Europe, and that this can be accomplished by giving Britain every material and financial aid—everything except man power and our navy. As a matter of fact, man power isn't the vital element in this war, anyway at the present stage. As for our navy, it will be brought into use indirectly without involving actual hostilities. Plans to keep sea raiders out of this hemisphere's waters by a more active "neutrality" patrol in which our navy will take the lead on behalf of the Americas would release British warships for duties closer to European shores.

What remains to bring us into actual war? Nothing except some action by the Axis powers recognizing our policy as war. For reasons of their own they may choose not to recognize formally American belligerency because that might bring American man power and the navy into action, especially if the Axis powers took any military steps against us by sinking any of our warships on patrol duty.

Despite the generalities of the President's statements about improvements in defense organization, the fundamental job of getting unity and co-ordination in production isn't being done. Rather ominous was Mr. Roosevelt's plea for surplus plant capacity and his veiled threat that something might have to be done about it. This merely focuses attention on the controversy over steel plant capacity and unionization. The latter is really the biggest stumbling block to national unity. The President hasn't yet ventured to proclaim a real labor truce—a situation in which labor does not seek to profiteer in union dues and

management does not seek to avoid clear responsibilities under the Wagner Act, which is the law of the land.

Sooner or later the American people will discover that a pitiful number of planes have been exported to England in 1940 and that despite all the talk from labor sources about five hundred planes a day—which the Administration encourages because it implies that industry is falling down on the job—no standard design has been agreed upon for all plants so that mass production can be begun. We are still in the blueprint and boasting stage of our national defense.

Congress, of course, will back the President to the hilt. The making of the radio speech a week in advance of the new session was a shrewd way to impress on the returning legislators that there is virtual unanimity of public opinion.

It is important to bear in mind that repeal of the Johnson Act and the neutrality laws will not be sought. Instead specific pieces of legislation will be offered automatically setting aside any previous provisions of law.

America is in war—realistically speaking—and has been ever since the American Government last summer in the midst of a presidential campaign sent its own naval destroyers to aid a belligerent government. That was war in the historic sense and anything done now is merely a supplement or application of the same principle. And evidently the American people are ready for the consequences because nothing could have been plainer than the President's speech.

January 9

What the President's message and fireside chat put together really mean is a long war. Britain has been given every encouragement to hang on no matter what the odds—American help is on the way.

Hitler's job, on the other hand, is to force Britain to her knees before 1941 is over. Inside information is that he can-

not do this, but it is also unlikely that England can force any decision against the Nazis either. Hence we can expect a long war with a stalemate for a while and the constant hope of a crack-up of the morale of the German people.

Meanwhile the Administration wants to discourage talk of peace, of diminution of our war energies. Calling all peace discussion "appeasement," however, will eventually become a boomerang, for, while "appeasement" just now is construed as willingness to accept a Hitler-dominated world, it may later become a legitimate movement to make peace with the German people and eliminate Hitler. Britain may become sympathetic to this idea before America does. Already, for instance, the British attitude toward relaxing the blockade and letting some food be sent into unoccupied France is far more friendly than our own public opinion on this subject at the moment.

Predictions of a long war should always be qualified by consideration of what may happen to Germany internally. The reverses suffered by Italy and the belligerent speeches of President Roosevelt must be awakening certain fears and apprehensions inside Germany which cannot be gleaned from the press. Official reassurances are being transmitted through Berlin and Rome newspapers by the Nazi authorities to the effect that America's help cannot possibly come in time. Certainly this envisages a frightful intensity of warfare this spring and summer.

The American people are being lulled into the belief that our national defense program, while admittedly far from satisfactory, is about as far forward as could be expected under the circumstances. This, of course, is not true. America could have done much more in 1940 and could be doing more in 1941 if the Administration weren't afraid of its left wing. There is still far more consideration given to saving the New Deal than to saving America, for example, from a possible Nazi invasion through Latin-American bases.

The Knudsen-Hillman executive order is a case in point. The President is still hesitant about antagonizing the left-wing labor

movement, even though the right-wing labor groups are plainly discouraged by his insistence on the Sidney Hillman leadership which they do not trust. Maybe the personality of Knudsen will help the President out of the hole, for the former motor executive has personal charm and gets along well with official Washington.

The refusal to give Knudsen full authority is characteristic of the Administration's vacillation as well as its tendency to postpone a choice or decision on the theory that matters might possibly right themselves and friction might not arise. Meanwhile, national defense effort is not being carried on at maximum efficiency and we shall be behind schedule in 1941 as in 1940.

That part of the President's message which dealt with the need for internal economic and social reforms was more talk than action. Mr. Roosevelt resents the implication of which he is being constantly reminded by needling New Dealers—that he has “abandoned reform.” But the fact is that he has had to do so and what reforms he proposes in his message are vague statements of objectives.

The Harry Hopkins trip to London is not excessively significant. The President is fond of Harry and wants to make him feel he is still an important part of the Administration, even though the former Cabinet Secretary's health doesn't permit it. This does not mean that he will not bring back important background information, but that there isn't really anything new as to our participation in the war. If, of course, Hitler suddenly gets resentful and takes the initiative against us, things may be different. It is this kind of delicate problem which Mr. Roosevelt might wish to prepare himself for in advance, and it is something that couldn't be worked out formally in Washington but can best be handled by a trusted personal representative of the White House in a few talks with Winston Churchill in London.

January 16

The "Lend-Lease" Bill will furnish a bigger test than the merits of the measure itself. It is whether America can make a military decision of tremendous interest to her national safety without taking weeks and weeks to debate the issue.

If American public opinion—which is believed to be preponderantly with the President—should grow impatient with Congress and if dilatory tactics should block action, the opportunities for decision by the Executive without consulting Congress thereafter will have been increased.

The question that will be asked is whether, every time an important matter of defense policy arises, the public will want Congress consulted. The wave of approval which followed the President's disregard of the statutes as he sent fifty over-age destroyers to Britain last summer is considered a significant precedent.

The groups opposing the "Lend-Lease" Bill can secure the adoption of certain safeguarding amendments but cannot kill the bill itself, which virtually assures Britain of maximum American aid without man power.

The controversy as to whether the proposal drags America further into war is no more likely to be settled now to the satisfaction of anybody than did the same debate over the embargo repeal which was bitterly fought in September, 1939, on the same ground.

As Mr. Roosevelt approaches his third inauguration, the chief difficulty he faces is a deep-seated resentment on the part of the isolationists and certain factions of the Republican party, but he has, on the other hand, on foreign policy some very staunch support on the business and financial side. The Willkie indorsement of the "Lend-Lease" Bill reflects the attitude of a substantial part of the independents in the Republican party, but it fell like a bombshell on the rank and file. Willkie,

however, has been many laps ahead of his party in understanding the realistic picture that confronts America in world affairs today, and his leadership will be of inestimable value in preventing a solid party fight against the "Lend-Lease" Bill.

The coming inaugural message is not expected to revive the wounds of domestic cleavage but to emphasize the gravity which the nation faces in world affairs. In a sense, the President has already revealed his arguments in the fireside chat and the annual message to Congress, but the inauguration furnishes an opportunity to say the same thing in an even more dramatic setting.

Mr. Roosevelt in private conversation with callers in the last few days has indicated that the thing uppermost in his mind is national defense. He has said that there are no bitter-nesses or resentments growing out of the campaign so far as he is concerned, and that he is ready and willing to consult with anybody who wants to come to see him, irrespective of their positions in the campaign.

Incidentally, some of the biggest business and financial men in the country, those who have voted against him three times and still feel at odds with him on domestic issues, sent the warmest kind of congratulatory telegrams to the President after his fireside chat and message to Congress. It would appear that, with the possible exception of the time when the bank crisis of 1933 was on, the President has behind him a more powerful public opinion than ever before in his nearly eight years in the White House.

This is not to underestimate the resourcefulness and intensity of his opposition on the "Lend-Lease" Bill. But in the end the President will win out, just as he did on the arms embargo repeal.

The story on national defense delays is being unfolded in part before congressional committees. All the details of the lag will hardly be told because business is much more anxious

to get going on present orders than to rehash past mistakes of the Government or industry or both.

The drift is toward a three-shift industrial operation and a firm hand against sporadic strikes. The expectation of a big crisis in Europe in the spring is spurring on the army and navy and production agencies. The outlook for aircraft is getting better right along.

January 20

This is a day of paradox—of celebration amidst tragedy. The very reason which President Roosevelt gave as persuasive in his acceptance of a third nomination, namely, the world situation and America's safety therein, stands today just as much in the background of events as it was last summer or last autumn.

More immediate and more important than the question of what kind of a program the President has in mind for this, an unprecedented third term, is the anxiety of the American people as to whether America will soon be an active belligerent or remain as an ally of Britain without the firing of a shot.

The political mind wants to celebrate today—there are here all the trappings and tinsel of previous celebrations of inauguration day. But the national mood is one of grave and sober reflection and uneasiness. This in turn makes inauguration day, 1941, strangely unlike any other that has preceded, with the possible exception of March 5, 1917, when, because inauguration day itself fell on a Sunday, President Wilson took the oath on both days.

Though war was growing closer and closer to us in March, 1917, President Wilson still entertained the hope of preventing it, and March 4, 1917, ended one of the most exasperating filibusters in the history of the United States. Mr. Wilson had proposed that Congress give him power to arm America's merchantmen so that any submarine attacks by the German Navy

could be warded off and yet America could keep herself detached from active participation in the war as an ally of Britain.

An isolationist group balked the President's plan for armed neutrality, as he called it, and, while he lambasted the twelve wilful men in the Senate who frustrated his plan, he unhesitatingly called an extra session. But by the time it was convened further violation of American rights on the high seas had occurred and Mr. Wilson felt that he had no course left but to recognize that Germany had in fact begun war against the United States by these attacks.

The incident is worth recalling because today Congress is in session and has before it a bill which another Democratic President is sponsoring with the idea that it will avoid American participation in the war. Again the opponents are saying it will involve us in war and make us a full-fledged belligerent, and again the answer does not lie in Congress, but in the decisions of the German Government overseas.

There was no spirit of gayety or celebration at the inauguration of Mr. Wilson for the second time in March, 1917, and there is none today except in outward appearance as the politicians and those who were active in the campaign come here for the customary bit of party exultation.

What makes the present not unlike the past is that the defeated candidate, Wendell Willkie, who polled 22,000,000 votes, is, in effect, standing on inauguration day beside the triumphant candidate who polled 27,000,000. Both men indorse the program of increased aid to Britain and enlarged defenses.

The man who has the task today of administering the oath of office—Charles Evans Hughes, the Chief Justice of the United States—was the defeated candidate in 1916 and by the time war came in April, 1917, he, too, was standing four-square beside the policies of the President of the United States, pledging his aid in the war.

War and rumors of American entry into the war and a

debate of transcendent interest are again in the forefront of national attention. Will a few weeks see the die cast for war? Or will Congress back up the President this time and give him the program that he thinks will help Britain win and thus keep America out of the war?

The cleavages of opinion are sharp and bitter. Impatience with an opposing point of view is to be found on both sides of the controversy here. One group advises caution and scoffs at the idea of a Nazi invasion. Another group points to Norway and Belgium and Holland, who stood meticulously neutral and aloof until the Nazis caught them unawares. Nobody can foretell the future and answer any question definitely or conclusively. The making of national policy under such circumstances places a different burden on those who hold the responsibility of office than on those who hold no power.

President Roosevelt may be proved wrong in his belief that America is in danger, but he would rather be proved wrong after having given weapons to a victorious Britain than to be proved right if Britain collapses because America withheld one hundred per cent assistance. That's the nubbin of his foreign policy today, and with him will be cast a majority of the votes of both houses of Congress.

Another question—this of a domestic character—is raised by today's events. Is this the beginning of a series of third-term efforts and inaugurations? Are American Presidents eligible now for three terms and, possessing the nominating machinery of their party, are we to have three nominations for our future Presidents? Or is this just an abnormal event, an emergency, and will the rule still be two terms unless there's a world war on and America is concededly in a perilous position?

Neither on the domestic nor the foreign question are there clear answers today, and that is why it is a day of profound uncertainty as it necessarily must be with human freedom endangered all over the world.

January 23

The after-inauguration lull is on. The President is waiting on Congress. Until both Houses act on the Lend-Lease Bill, there will be no major announcements of executive policy. The tactics will be to give Congress plenty of time to debate, hoping that in about two weeks the country will grow impatient for action and that a satisfactory bill with safeguarding amendments can be put through.

The House will act with reasonable promptness and the measure will be passed. In the Senate, where the rules permit prolonged debate, the story will be different. Delay will be tried by opponents of the bill and after a reasonable length of time there will be an insistence on action by the Administration or there will begin to be talk about invoking the cloture rule. The chances are such a drastic step will not be necessary.

The Senate may tack on amendments that will be tentatively accepted and finally changed in conference between the two Houses. The points at issue are not numerous. All sides are agreed that there must be a time limit and that the powers granted the President must expire automatically without further action by Congress being necessary. All sides feel that some clarification must be made about the use of the powers, but it is difficult to write restrictions that do not nullify the purpose of the bill, which is really military. The Secretaries of War and Navy want the bill to give them power to act instantly in any contingency which may arise. The opposition wants to require that Congress be consulted in each contingency. This is a fundamental question that will have to be met sooner or later—the right of the Executive to act overnight in a world where war isn't formally declared and yet where steps hostile to our interests may be taken suddenly by governments either belligerent or quasi-neutral.

The provisions in the bill relating to indefinite appropria-

tions are superfluous and can be cut out altogether. When Congress makes a commitment in the form of an "authorization," as it has been doing on naval items, for example, for generations, the custom is for Congress to have a second whack at the problem when the concrete appropriation has to be made. To "authorize" all the money necessary to carry out a legislative objective does not mean to appropriate it, and there is some mystery as to why the provision was included in the first place. It may have been for moral effect abroad so that foreign peoples with whom we are sympathetic would see that America was prepared to pledge its financial and material resources to the cause of preserving democracy.

Whether these provisions remain in the bill or are eliminated is not of legal consequence. No Congress can lawfully commit its successor in the matter of appropriations beyond two years anyway.

The isolationist position has not been made easier by the speech of Ambassador Kennedy. In fact, the opposition to the Lend-Lease Bill has not clarified its views at all. The general desire to aid Britain gets mixed up with the desire to keep out of war or even to prevent war participation from being provoked. The fact is, there is a risk in aid to Britain and everybody knows it. That risk arises out of the possibility that the Nazis may win, and, if they do, they will find ways of annoying the United States and its interests, especially in South America, and may feel no compunction about doing so in view of our present course.

There are among the opponents of the bill some who feel confident Britain will be beaten this year and hence they think America should prepare for an appeasement mood. The other side doesn't believe Britain will be defeated and really doesn't want to think about such contingencies, arguing instead that if all aid is given there will be no defeat of Britain.

Meanwhile, the President is convinced that American aid is

important, both for tangible and intangible reasons, and he will devote himself as soon as the bill is passed to a speed-up of American help. For there is no concealing the apprehension that 1941 may be critical for Britain, and that, if Hitler fails, then 1942 will be critical for him and perhaps witness not a military defeat for the Nazis but a crumbling of their power from within the continent.

January 30

The so-called inevitability of war is bothering a good many people throughout the country who seem to think the answer is in Washington. The truth is the answer isn't here at all. It's with the Axis powers.

So far as the President's policy is concerned, and taking into account every contingency that can be foreseen, including the possibility of a severe lashing of the British people by air raids this spring, the United States is not going into the war of its own accord.

This cannot be stated too positively. It represents the answer so far as choice or decision at this end is involved. As for deliberate purpose, that is, to send convoys or take any other steps that mean shooting, these can be written off right now as highly improbable.

More important than the inevitability of our participation in the war is the inevitability of our participation in the peace. Just as undeclared war has become fashionable, so may undeclared peace come into the picture. The general assumption has been that all wars must end in a military conquest on the part of one side or the other. Yet the last war really didn't end that way at all. It ended with dissolution and disintegration inside Germany forced by the blockade. The crumbling process may go further this time and lead to a state of anarchy on the continent of Europe, especially if German authority begins to be

weakened over the immense numbers of people of varying races and nationalities now held under the Nazi yoke.

If such a state of chaos develops, America's part in the reconstruction may be far-reaching. The same billions which will have been voted for war purposes may be used for reconstruction—at least it would fit in with the President's policies of the past. The "lend-lease" legislation may then be converted into a huge "lend and build" project.

All this has a bearing on the matter of planning in business. The possibility of a sudden ending of the war is not at the moment being envisaged in the business world as much as the so-called inevitability of American participation in the war.

There is one thing the present Administration can be counted upon to do—and that's to disregard precedent of any kind and use government money to help stabilize the world economic situation once Hitler's power in Germany begins to go under. Plenty of economic machinery will have been built up to that end by our government between now and the end of 1942, by which time the climax in the whole war situation may be expected. An unfavorable reaction inside Germany would not be surprising next autumn if the spring and summer have not brought England to her knees.

Observers must also bear in mind that "morale" is a most important factor in winning wars and staving off defeat. Just now we are engaged in a gigantic effort to bolster British morale. Beleaguered troops can always fight better when they know reinforcements are coming than when resistance seems hopeless. America is definitely giving Britain a stimulus to morale. The Hopkins and Willkie visits are of inestimable importance to British morale this critical year. Germany may start cracking slowly in 1942 when the immensity of American aid finally comes into view and the Axis peoples really discover that the stories they have been fed about American aid not coming in time are being rendered false by actual events.

February 6, 1941

Although there is a clear majority for the Lend-Lease Bill, the Administration knows that the longer the debate, the greater the chance of frustrating its plans for helping Britain. Hence there's a tendency to work out compromises and amendments.

This doesn't mean that the isolationists are strong enough of themselves to dictate changes in the measure, but that the "on-the-fence" vote is a bit larger than was anticipated by the Administration and it is necessary to make concessions to the argument about "dictatorship" and "transfer of the war-making power from Congress to the President."

There isn't much doubt now that the Administration overestimated its strength and that the President in particular made a miscalculation if he thought he could get the bill through by relying solely on Democratic votes. It certainly would have been better if he had consulted the Republican leaders in advance. But the President has now recognized the importance of Republican help and it looks as if there will not be a solid Republican vote cast against the measure.

The truth is the opposition to the Administration on domestic policies is still so strong that it overflows into foreign policy. If there were some way of making sure that the New Deal radicals would not control the mechanism of government under the enlarged powers, there would be less opposition. The suggestion that the country should trust the President simply because power must be delegated to someone would fall on much more fertile ground if the White House were not so ready to allow the New Dealers to exercise these delegated powers. The Sidney Hillman authority over defense contracts unless concessions to labor unions are made is a case in point. There is absolutely no warrant in law and no national defense reason why the Ford bid should have been rejected last week. But the publicity given to the Hillman influence in forc-

ing a rejection opens up old controversies and strengthens the views of those who are suspicious of further delegations of power to class-minded officials representing groups that are politically favorable to the Administration.

The chances of American participation in the war are being so widely discussed both inside and outside of Washington that the discussion itself is creating a certain tension throughout the country which is felt here. But it must be repeated, the President is not eager for war or for the exercise of any war powers that actually mean shooting. He is taking a chance that the Axis will not find it convenient to attack the United States or engage in any reprisals during 1941 at least. What may happen if the British are forced to surrender is something else again. The Administration figures that the fat will be in the fire anyway if Hitler comes out on top in 1941 and that a resolute American policy and an alert army, navy and air force will be needed to compel respect for American interests.

The policy of the Administration, therefore, is to go on the basis that war is inevitable but to do nothing that precipitates the decision so far as offensive action is concerned. Hitler knows that what America is doing could be construed as an act of war but he also knows that his own public opinion is not too happy about facing another long struggle after the British invasion is finished.

The fact that the German-controlled press is now revealing to the German people America's attitude toward Britain and that the Nazis see fit to argue that the American help will come too late is in itself very significant. It means that rumors of what America has been planning to do for Britain have seeped through the censorship and can no longer be suppressed inside Germany. It confirms the argument of those who have insisted all along that attacks on the morale of the German people can be made from the outside notwithstanding the censorship.

The Lend-Lease Bill for the moment supersedes everything else in Washington. Bigger problems are ahead—labor stoppages on defense work, new tax bills, battles over prices and a dozen collateral matters. But not until Congress votes the power and the money on the Lend-Lease Bill can the Administration go ahead on any other front.

February 7

Though war and defense take the headlines, something of transcendent significance happened this week which so far as affecting the economic life of the United States may have results extending far more years into the future than the present impact of Europe's battles.

For without amending the Constitution or giving the people the opportunity to pass judgment on it, the Supreme Court has just enlarged and broadened the commerce clause so that centralized government in Washington, as the policeman and regulator of all the interests of the citizen that touch on business of any kind, is here to stay.

This evolution—or revolution as some may call it—has been so gradual that it apparently occasions today no upheaval of public opinion. Time was when the regulation of the hours of work or the rates of minimum pay were considered matters for the states to fix. The courts went considerable distance in establishing the principle that hours of work were related to health, especially of women, and this brought in a series of laws fixing hours. But when it came to the matter of minimum pay, the Supreme Court of the United States said no. The states could not—so the decisions ran—fix minimum rates of pay any more than they could fix maximum rates of pay. Wages, it seemed, were so closely related to the rights of the people that neither federal nor state governments were considered to have the power to fix them.

Uneven situations in various states were soon construed, how-

ever, to be damaging to the cause of the worker and there came an insistence on a uniform system. President Roosevelt declared that it was not adequate to let the states do it. He demanded that the Federal Government apply uniform laws governing minimum wages and maximum hours.

The one thing that stood in the way was the Constitution as interpreted by justices for a number of years. Such jurists were called reactionary because they were charged with standing in the way of progress. But the truth is history may record that they were the true liberals, for they stood staunchly against allowing fundamental questions of this nature to be legislated upon by judicial decision.

Today the New Deal dominates the Supreme Court and it is considered proper by the radicals to use the Supreme Court to write legislation, including laws that Congress itself has specifically refrained from writing. Mr. Roosevelt has publicly proclaimed that because three-fourths of the states must ratify an amendment and hence thirteen states can block reform, the method is too cumbersome.

This is but another way of saying that the Constitution itself is outmoded and that the end, if benevolent, fully justifies the means. Not a single amendment has been submitted to the people by the Congress in the last eight years even though the New Deal party has had a two-thirds vote in both houses, which is ample to assure passage of a resolution requiring submission of amendments to the states.

The Supreme Court has constantly heretofore guarded the interests of the people and when in doubt has refused to validate statutes involving a fundamental change in constitutional doctrine, preferring to have the people pass upon each issue in the way provided in the Constitution itself. Now all this is changed. The way is opened for Congress to fix all wages, control all labor unions and to confiscate anybody's business at any time.

The Tenth Amendment has always been believed to be a

check against abuse of the Constitution by either the states or the Federal Government. That's the clause which provides that all powers not specifically granted to the states or the Federal Government are reserved to the people. This week the Tenth Amendment was practically discarded. For when the Supreme Court said Congress had full control over commerce and construed commerce to mean anything or everything that touches the economic life of the country, the court gave to the Congress virtually unlimited power over all that the citizen may do or not do. It would be hard to think of any rights now reserved to the people which cannot be taken away by the new interpretation of the commerce clause.

There are many who will defend the enlarged view of the commerce clause. America's increasing population, they say, doubtless required that commerce be considered national. But the precedent of usurping power without letting the people pass on it concretely has been established for generations to come. The doctrine that if the objectives are socially desirable it doesn't matter whether procedure is in accordance with the way provided in the Constitution is a dangerous deviation from American democratic conceptions and much more in line with the manner in which European governments of the totalitarian type have recently been taking away power from the people. The British democracy, to be sure, delegates vast powers to its Parliament—a combination of the executive and legislative branches—but in Britain there is an instantaneous check on possible abuse, whereas in America elections are held at two- or four-year intervals, and it is difficult to relate the campaigns to a single issue of a constitutional nature.

February 13

Willkie's appeal means substantial help to the Lend-Lease Bill. The amendments he suggests are not difficult to write into the measure or get the Administration to agree on,

though it is not likely any intimations of acceptance will come till the Democratic leadership is ready to adopt changes on the floor of the Senate after debate has about finished.

The debate will take at least a week, and maybe two, but the speaking will in time wear out and a vote will be forced, though it may take a threat of night sessions to do it. There is as yet no sign of a filibuster and none is expected. Most members in the opposition are content to have their say and do what they can to put through restrictive amendments. The ultimate passage of the bill by a very large vote seems assured. In fact, many Republicans in the House may switch and vote for the conference report when it comes back to them, on the ground that the Senate improved the bill and permitted amendments which the House leadership for strategic reasons decided to oppose.

Certainly by the middle of next month the bill will become law. Meanwhile, little time is lost because the War and Navy Departments are proceeding on the assumption that the powers sought by the bill will be granted.

Once the measure is passed, the Administration will not hesitate to unfold its plans, which consist far more in lending equipment and tools than in any steps involving convoys or airplane patrols.

The course of the government is, to be sure, a deviation from what has often been regarded as international law. But circumstances through history have brought changes in international custom and it would seem inevitable that out of this war will emerge a brand-new concept of international law and neutrality, namely, that nations will lend or grant material assistance to any victims of aggression—a sort of sequel to the Kellogg-Briand Treaty.

The whole question of American policy is at the moment more military than anything else. The experts who study the hypothetical in warfare must assume that Hitler might attack us through the air as well as the sea if he conquers England,

and from bases in Latin America as well as Africa. Confronted with that military contingency, the experts want an armament set-up far beyond anybody's dream of two or three years ago. Likewise, the experts feel that plans for defense only are no longer effective and that a sound defense plan means taking into account ways and means of striking offensive blows.

Thus, in planning bombers for our own use, it is essential that long-range craft be built. The fact that nobody in Europe has built them yet is one reason why American experts want them built.

By and large the debate in Congress centers on some really undebatable points because nobody can assure America against attack and nobody can say that mere defensive weapons will be enough in case of attack. With war on in Europe, the disinterested expert will recommend that any and all weapons be made at once. As for Britain, the theory that it is better to help her fight off the Nazis rather than to take a chance on having to do the job ourselves alone two or three years hence is accepted one hundred per cent by the Administration and unquestionably is taking hold with the American people, judging by comments received here.

The division of opinion in America, while substantial, is by no means as great as it was in 1915 and 1916 when open sympathy for the Central Powers was expressed and publicly defended. Today the isolationist or non-interventionist bloc insists it is anti-Axis, but is opposed only to war involvement for ourselves.

So far as Washington is concerned, it is discounting already the passage of the Lend-Lease Bill and preparing to go forward on the production front. Lots of inner squabbles dot the picture, but these are characteristic of a big expansion job, and, on the whole, the defense machine is proceeding fairly well. Orders are being placed more and more rapidly and the business boom growing out of the armament situation will grow to fantastic heights this year and in 1942. The one dan-

ger of the boom's collapse lies in the sudden crumbling of Nazi Germany. For, if Britain is beaten, defense efforts will not be diminished but redoubled.

February 18

The crisis in the Far East could mean war between America and Japan, but the chances are it will be peacefully passed. Yet the ingredients of this dangerous situation are very clear in both Tokyo and Washington and the wonder is that the Japanese leaders do not recognize the gravity of allowing a critical stage to be reached in the relations between the United States and Japan.

For several months a game of bluff has been played in the Far East. The military group in Tokyo, impressed with the possibility that Britain might be defeated, has edged up close to the Nazis, believing that with the collapse of British sea power, the Japanese navy would have things its own way in the Dutch East Indies and in the Pacific generally.

So strong has the impression been in Tokyo that Britain would be defeated that the alliance with Italy and Nazi Germany was consummated. The idea that Britain might be aided by the United States was not taken seriously. The Nazi conception of the outcome of the war was swallowed hook, line and sinker.

Today Japan stands on the brink of the precipice. She cannot get aid from Germany on the seas and her islands can survive only if her navy survives. Once Japanese sea power is broken, the hordes from China would make short shrift of Japanese commercial as well as military power in the Far East.

Will Japan risk a naval war? Few people in Washington believe the Japanese would be so unwise, but if Tokyo believes there is no risk in moving into the Dutch East Indies or in

invading British interests at Singapore, then the folks in Nippon are in for the biggest surprise of history.

The risk for the Japanese is a simple one to outline: The United States is not going to stand by and see Japan take possession of the Dutch East Indies and dominate the future of the Philippines. The Japanese are likely to find themselves blockaded by a combined British and American naval force if the status quo in the Far East is impaired. It will be recalled that the Secretary of State of the United States gave ample warning a few months ago that the status quo in the Far East must not be disturbed. That warning still stands and this is one case where a diplomatic representation will be backed up by naval action, if necessary, the moment the initiative is taken to violate what America feels is a clear obligation.

It will be recalled also that the United States entered into an agreement with Japan which virtually guaranteed the status quo in the Far East when the Nine-Power Pact was signed. The American Navy has had to take up its position in the Pacific for several years now because of the tendency of the Japanese military party in Tokyo to follow in the footsteps of the Nazis in breaking treaties.

One thing that has not been left unsaid by the American Government is that, no matter what happens in the Pacific, aid will continue to be furnished to Britain. The assumption here is that the heavier units of the American battle fleet will not be needed in the Atlantic and that these warships combined with such British units as are available in Far Eastern waters, will constitute a force ample to prevent the outbreak of war.

The attitude of some navalists here, on the other hand, is that this year would be an opportune time to have a showdown for all time in the Pacific. It is regrettable that such a spirit is developing, but it is worth recording because it should be noted in Tokyo that the game of bluff which finally forced

Britain into war in Europe may force America into war in the Pacific.

Japanese interests are so closely allied commercially with America that detached observers have never been able to understand why Tokyo made an alliance with the Nazis. With American sea power rising and with British sea power unlikely to be beaten now that the Lease-Lend Bill is about to be passed by the American Congress, the time for a reversal of policy in Japan would seem to have arrived. There is much more basis today for an Anglo-American-Japanese entente than for a Nazi-Italian-Japanese alliance. For in the latter neither of the first two allies can help the third, whereas both the United States and Great Britain can furnish the commercial and financial sinews for the resuscitation of the Japanese Empire once its war of exhaustion with China has come to an end.

The time for plain speaking on the part of friends of Japan in America is at hand. If the Japanese will withdraw her fleets from the Dutch areas and make her commercial needs known, she can be assured of a continuous flow of raw materials vital to her welfare. Her diplomacy can prevent a war. But if it be assumed that nothing will be done by America no matter how far matters are pushed in the Far East, then little can be achieved to preserve peaceful relations between the two countries, and war would then become inevitable. The danger of war at the moment is greater than the public in either country suspects, but that's because the resolution and determination of the American Government is being mistakenly discounted in some quarters abroad, especially among the Nazis, who would like to embroil Japan and the United States because the Nazi régime would not be called on to make any sacrifices.

February 20

Tension just now is about the Far East. Inside feeling is that war may break at any time the Japanese make a wrong

move. Exchanges behind the scenes are clear-cut and frank. Japan knows America will not tolerate a disturbance of the status quo in the Far East. The Japanese would like to grab the Dutch colonies and embarrass Britain but America stands in the way.

Would a sudden outbreak of war between Japan and America interfere with supplies to Britain and aid in the Atlantic? The American Government has been at pains to predict officially—Mr. Roosevelt himself did the predicting—that nothing would be permitted to interfere with aid to Britain no matter what happens in the Pacific. But, as a practical matter, is this so? Wouldn't the American people insist on detaining more and more aircraft for defense instead of sending them forthwith to Britain? Hitler is counting on the embroilment of the United States with Japan as a means of hurting England in this critical year of 1941.

The decisions will have to be made by the Japanese, for, while Britain may be injured, there is little doubt that in the end Japan will be annihilated. Incendiary bombs sent from airplanes using Philippine bases would destroy Japanese cities and a blockade would mean considerable economic damage for a country already exhausted by the war with China.

Inside information on the aid-to-Britain outlook is that once the Lend-Lease Bill is enacted, a radical change in the shipping lineup will occur. The reconditioning of old ships that can be used by the British for patrol work, and the repairing of British destroyers and naval vessels will begin to be handled on this side of the Atlantic. In the end, both Willkie and Secretary Knox will be proved right because each has been thinking of a different thing. There will be five to ten war vessels, probably reconditioned obsolete craft, which will be sent across to help the British each month. That was Willkie's point. And the American Navy's strength will not be depleted. That was Knox's point.

The Administration is well satisfied with reports coming in

from Britain as to strength of her defenses and the morale of the civilian population. The British are reported to be able to stand up against invasion attacks through July, 1942, by which time the major part of American help can be expected. The American defense program is proceeding better and better each week. There are bottlenecks and shortages, but America's technical skill and productive capacity are being mobilized with phenomenal results. This is especially true in the little-known categories of essential ingredients needed for explosives and for the manufacture of airplanes.

The domestic economic structure gives concern only because a few price advances and the heavy drains of taxes are causing many uncertainties. But, since the domestic economy is in process of unprecedented expansion, the strains are not likely to be long-lived unless war comes. Before the end of the present year, government cash disbursements for defense will be so large as to increase very widely the nation's purchasing power.

The political front is becoming less and less partisan every day. The fear of impending events is producing much caution. Members of the House on the Republican side are beginning to feel that maybe Willkie wasn't as mistaken as he seemed to them to be at the outset. The Republicans will increase their vote in favor of the Lend-Lease Bill when it comes back to the House.

Willkie made a ten-strike with the press on Monday of this week in his off-the-record speech appealing for national unity. He had many talks with Republicans while in Washington and they listened intently to his observations. He is apparently going to lead the Republican party less by truckling and compromising than by taking positions which he believes are in conformity with public sentiment. He is positive about keeping out of all defense posts or government positions. But he will be heard from again and again on the radio and on the stump as he pleads for the free enterprise system, and national unity behind aid for Britain.

February 27

Priorities have come at last and it means a showdown between those who have favored extra plant capacity and those who have been fearful that plant expansion might mean overproduction gluts and low price levels if the war came to a sudden end.

The New Deal planners have been arguing for plant expansion. A certain amount of it is desirable when demands can be accurately forecast, but what the New Dealers forget is that the economic system isn't made of rubber and that, once prices begin to fall due to overproduction, wage rates do not go down, too, but stay at the same levels as before. Production costs are not readily cut when demand falls off and prices go down.

Issuance of mandatory priorities, however, brings the issue to a decision. Civilian demands will begin to suffer as national defense needs get the green light. Then, if civilian needs seem to be piling up to the point where it is profitable to attempt to build extra plants to take care of them, the tendency will be to find some way to absorb the demand.

The introduction of substitutes will take away certain markets, but in the long run it isn't easy for a highly desired product to be displaced permanently, and there is always the chance that the business built up in the realm of substitutes will be taking chances on the future, especially when price wars begin after defense needs are satisfied.

What stands out is that national defense requirements are giving birth to an artificial economy of a planned sort. This was true of the last war, but the system of free enterprise had not been put under so many restraints before and there were fewer restrictions in the handling of labor.

What seems to be overlooked by the planners in the New Deal who have been arguing for plant expansion irrespective of actual demands is that shipping is scarce. Most things can

ultimately be made in huge quantities but they cannot be transported. This limitation on America's production will become more apparent as Germany's submarine warfare intensifies.

To build plants to meet civilian demands is risky unless someone can underwrite the length of the war. The chances are against undue enlargement of plants outside of defense industries themselves. Some of the priorities ordered may be short-lived. Within a year there will be enough aluminum ingots for all needs. The bottleneck in machine tools is not so much a shortage as a lack of coordination inside the Government itself. The system had to be invoked to prevent Government departments from competing unnecessarily with one another for deliveries.

While some priority orders in the raw material classifications will cause hardships and delayed deliveries, the over-all picture is not one of real concern as yet to the normal economy. Dislocations here and there will occur but there has been an exaggeration of shortages. Steel will be able to meet whatever needs there are with some expansion of plant. What is needed is an immediate importation of large quantities of raw materials such as tin and rubber so as to get the commodities into the United States before tonnage shortages become acute.

Taxation troubles are accumulating. The excess profits tax law is causing plenty of headaches for management these days and the amount of litigation likely to ensue probably will be extensive. This was what happened before. It seems that Congress never learns from experience. Its hastily drawn tax laws are largely, on the other hand, the responsibility of the Treasury Department, which up to now, at least, has thought almost any tax rate would produce any quantity of revenue.

There are going to be some surprises when the effect of the new tax rates are studied. It is questionable whether any tax bill can collect tax receipts faster than the national income increases. Experience has shown that, unless the national income rises faster than the increases in tax rates are imposed, deflation

and unemployment ensue. This year's test is a critical one, especially since the tax rates were adopted after nearly three-fourths of the calendar year to which the rates were applied had actually passed.

March 6, 1941

Acute phases of the war situation are approaching. The debate on the Lend-Lease Bill is slowly tapering off and enactment of the law within another fortnight may be expected. The amendments that may have to be accepted by the Administration in the Senate in order to accelerate passage will be modified in conference. The measure as finally written will give the President power to use America's financial and industrial might to help Britain win the war.

The Administration's hesitancy to accept the various amendments which would prohibit convoying of ships or the sending of troops outside the United States is not due to an unwillingness to pledge that no such action will be taken, but to a knowledge that things left unsaid in the bill may be potentially useful in diplomatic steps that may have to be taken.

For the Congress to say American troops will not go to the Far East might affect relations with Japan in connection with the Philippines. The possibilities of misunderstanding in these restrictive amendments are numerous. The one thing the Administration is trying to do is to avoid any entanglement that means shooting. Materials and money will flow to the British side of the contest without red tape or restriction once the Lend-Lease Bill becomes law.

Many important decisions of policy and administrative action are being held up for fear that announcement at this time may be distorted in debate by foes of the Lend-Lease Bill. Once the bill is enacted there will be no such delays.

The labor situation is coming in for more and more attention as work stoppages increase. The jockeying heretofore about

antistrike legislation has been largely political. Messrs. Knudsen and Hillman now are being forced to admit that strikes can seriously interfere with production if mediation is not made compulsory. The union leaders are loath to accept any such legislation and doubtless will fight it. Then the drive will be on to bring about executive pressure, of which there is an abundance unused so far as labor is concerned, but unhesitatingly applied as against employers.

The gradual building up of a bigger and bigger draft army is bound to produce an alert and aroused public opinion on the subject of labor stoppages. The public will not be slow to see that young men taken from gainful jobs to work for thirty dollars a month are not going to be content to see workers interrupting the production of weapons needed for the army and yet drawing down two hundred dollars a month.

The President could operate through the National Labor Relations Board and the Office of Production Management in reducing the number of labor interruptions on defense projects, and as soon as public opinion becomes sufficiently aroused it may be assumed that restrictive measures will be applied.

Reports from abroad give an encouraging note to the probability of Britain muddling through 1941 and into 1942 when the bulk of American production is expected. The gravest aspect of the whole situation now is not the possible invasion of England but the submarine blockade which is taking a growing toll. The destruction is said to be averaging sixty thousand tons for every twenty thousand of new tonnage being built. Although Britain has a large supply of tonnage still available, the need for some means of reducing the effectiveness of the British blockade is apparent. Whether this will be done by increased aircraft patrol or by a wider disposal of ships instead of in convoy groups is not yet known. But certainly the suggestion of American naval convoys for British shipping is not being seriously considered at the moment.

The biggest problem ahead, on the other hand, is how to

get the new airplanes built in this country across to Britain and North Africa. A huge supply of man power to ferry the planes across will be needed in 1941 and a bigger supply in 1942. This work may be done by civilian fliers not attached to the American Army or Navy.

Whoever has mastery of the air will be able to protect these American airplanes or prevent their landing in Britain. It may become more important who does the flying of the airplanes across than who does the conveying. The Canadian pilots, of course, will be expected to share the major part of the burden.

The Balkan developments have not proved discouraging here to the British cause. The outlook for Britain is improving and is far better than it was six months ago.

March 12

America's major political parties have given an unexampled demonstration of their willingness to put country above partisanship. Nearly two-thirds of the Republicans recorded themselves as in favor of the Lend-Lease Bill on the final roll call in the House of Representatives in contrast to the almost solid vote which was cast against it by the minority party when the measure first came up a few weeks ago.

It is true the bill has been materially changed and safeguarded by the Senate since the first vote was taken in the House, but it is also true that the main purpose and objectives of the measure have not been altered in the slightest. What has happened is a manifestation by public opinion of its desire to have the legislation passed as a means of defending the nation against possible encroachment by a victorious Nazi government. This unquestionably impressed members of the Republican Party who disliked to be placed in the position of voting partisanly at a time of national crisis.

When the bill passed the House, the Republicans had had little chance to hear from the country. No such extended

period for debate was offered as in the Senate and members originally followed party lines in supporting the bill in its unamended form. During the Senate debate, however, public opinion indicated its anxiety about certain provisions of the bill and some clarifying and restrictive amendments were offered which took away much of the grounds for opposition. But at the same time, the changed nature of the bill gave the Republicans a basis for their argument that the bill had been improved and that they now could afford to vote for it.

The victory of popular opinion over partisanship is one of the most remarkable in all legislative history, and it is a tribute to the leadership of Wendell Willkie that the party whose banner he carried in the last Presidential campaign came through and backed him in his bold stand behind the measure. Mr. Willkie incurred the lasting antagonism no doubt of a small number of isolationists in his party, but the record vote in the House is sufficient vindication for what he did.

The future of Mr. Willkie in the political arena may be uncertain, but there can be no doubt that he saw sooner than did the other leaders of his party the direction in which public opinion was moving. To the credit of the Republicans in the House it must be said that they eventually saw the changing trends and did not hesitate to answer the plea that Mr. Willkie made for a demonstration of unity.

Even the Republicans whose convictions did not permit them to vote for the bill on final passage in the House made it clear that they now would support the carrying out of the policy laid down in the measure. This means that appropriations necessary to attain the objects of the Lend-Lease Law will not have much more than a perfunctory opposition.

There is no underestimating the significance of the overwhelming vote given in both houses to this extraordinary piece of legislation. It means, so far as the rest of the world is concerned, that the policies of President Roosevelt in international affairs have just been given a substantial vote of confidence

and that America stands united in the critical battle which democracies are waging for self-preservation.

No vote unless it were an outright declaration of war could mean more to the morale of the British and other nations fighting alongside her in the present war. In some quarters abroad the vote will actually be regarded as the nearest possible equivalent to a vote for war. But Americans know that the United States is not voting for war, but merely to give the President full power to defend America should any foreign power undertake to commit an act of war against American interests.

There will be plenty of loose talk here and there about America's going to war now, but even since the Lend-Lease Bill has become law it cannot be said that the administration is wavering one iota from its basic effort which is to steer the Ship of State through troubled waters without firing a shot.

Aid of a material and military and naval character will be forthcoming. America will finance the war preparations and lend them to Britain because the latter can thereby help keep the war further from our shores. Beyond that there is no real desire on the part of our government to become entangled in the war itself in a physical sense though there are, to be sure, many persons inside and outside the government who are freely predicting that America can't keep out. It is important to record that the policies being developed, however, look toward keeping out if it is humanly possible to do so.

March 13

As outlined a few weeks ago, the opposition to the Lend-Lease Bill was more vocal than numerically strong in votes. The indisputable fact is that again it has been demonstrated that public opinion in America not only wants Britain to win, but thinks that's the best way to keep out of war.

The cry that the Lend-Lease Bill would mean entanglement in war is still potent, but it will not be due to any initiative here if we get into the war. It will be due entirely to the initiative of the Axis powers.

Much talk, of course, is heard about how soon "we will be in." This all depends on what is meant by being "in." Some people feel we are "in already" because we certainly are not neutral in the old sense of the word. Helping a belligerent with money and materials and actually giving the weapons away is something new for a nonbelligerent. Hence the comment of officials that maybe "we're in already" is based on what would previously have been called being a belligerent.

In these days of undeclared war, however, phrasing has to be revised. War doesn't become formal until there's shooting. So far as the United States is concerned, one may rest assured that actual hostilities will be avoided if President Roosevelt can humanly achieve it. His ambition is to steer the country through this difficult period without firing a shot. There's more prestige in history for him that way than if we deliberately become actual party to the fighting.

The chance of entanglement through naval convoys is remote. America will avoid any such step as long as possible. There will be and is already a swapping of warships and auxiliary craft. But Britain will have the man power needed to do convoying. There may be a shortage of fliers to ferry over the aircraft being built but this situation will have to be met by Canada and Australia where pilots are being recruited in larger and larger numbers every month.

How long will the war last? All operations in Washington are now proceeding on the assumption that the climax will come in the summer of 1942. Britain is expected to be able to hold out till then and to magnify her own effort with American materials as they flow across the Pacific as well as the Atlantic to the Mediterranean.

The possibility that the Axis powers may declare war on America is considered remote, though Washington realizes that every effort will be made by Hitler to egg Japan on to some sort of conflict with the United States in the hope of diverting American attention from the Atlantic to the Pacific.

The Japanese are reported to be growing a bit cautious of late. They are not so sure Britain is going to be beaten. They want to know what Hitler will do for Japan and just how he can be of assistance if the Japanese stick their necks out and have a first-class war on their hands. The trip of the foreign minister from Tokyo to Berlin is regarded here as a sign that the Japanese would like to kill a little time this spring while they see which way the war goes. The Japanese want to know not only what Berlin is planning, but what Moscow can be counted on to do.

The broad diplomatic situation has not been altered much by the Balkan developments. Russia is still expected to perform the leading turn-about role of the war once Britain seems to be getting the upper hand and American aid begins to count. The tendency in Washington is to encourage Russia to keep on friendly terms with the United States for future use when Britain begins to show mastery in the air.

The President wants to go away on a vacation and, with the exception of the labor issue which is a sort of thorn in the side of the Government and growing more so every day, he could get away. For the production job in armament is proceeding fairly well. As for the labor strife, Congress may intervene and force the President's hand, but it is difficult to see how there can be any vacation for Mr. Roosevelt until he takes cognizance of the big combination of strikes in the offing—in the coal, steel and automotive industries. John Lewis is the man behind the scenes in all three situations and it is rumored that various forces are trying to bring about a reconciliation between him and the White House.

March 20

President Roosevelt is finally up against the possible hostility of the radical labor groups—his own supporters. He has delayed and delayed a showdown throughout his eight years. National defense requirements, however, do not permit the issue to be evaded any longer. Just a few days at a time and a few strikes at a time on strategic parts in the airplane industry or in other fields vital to defense can make a material difference in whether aid gets to Britain on time.

The President is trying the device of a mediation board. The publicity weapon will help some. But it will not touch the many small strikes some of which are engineered by communists who know how to interrupt the defense program in places where it hurts. They care nothing about publicity or public opinion. Just how that phase of the problem is going to be tackled still remains unanswered.

The Administration's left wingers aren't apparently disturbed by the situation. They do not seem to be worried about work stoppages. For they have it in their power to put pressure on the labor groups and they do not do so. The tendency of the Administration for several weeks has been to camouflage the seriousness of the labor situation. But with the tie-up on the West Coast of a small plant making die castings for airplanes the nation is being aroused to the dangers of complacency in Washington.

The President hopes the new mediation board he has appointed will reduce the number of strikes. It will be noted that the plan permits the United States Conciliation Service to operate first. Mr. Steelman, head conciliator, is one of the fairest and ablest men in the government service. If he and his men cannot settle a strike it is doubtful whether the super-mediation board will be able to do it, though there is always the chance that warring groups will wait till the last step—the mediation

board's intervention—to obtain final concessions before agreeing to a settlement.

The labor problem is Mr. Roosevelt's most serious hurdle. The President is tired and in need of the vacation he is now taking. He certainly has had his hands full these last few weeks and he shows the strain. A trip to the Caribbean in the past has always given him a new lease of life. This time he is taking along a larger party of Cabinet members and guests than usual which means he will hardly get away from work and conversation about work.

The news of the German reaction to the Lend-Lease Bill is significant. The Nazis do not wish to precipitate any declaration of war. They want America to remain out of the war. They recognize that the effectiveness of aid to Britain is largely a matter of ocean transport and they think their submarines will take care of that angle. Hence anything that forces the American Navy into the combat either by convoys or as a result of some overt act of the Germans is something which Herr Hitler will endeavor earnestly to prevent. It just doesn't suit the Nazi strategy to have America in the war with man power or naval support for Britain right now. President Roosevelt has known this all along. Hence his boldness in supporting the Lend-Lease plan even though hitherto it would have been regarded internationally as an act of war.

It is considered doubtful whether the German submarines will operate in American waters though a demonstration may be made merely to muddle the British Navy's task of patrolling the Atlantic all the way across.

Instead of any American convoys, what is to be looked for is an American policy which insists that no German vessels shall come past the middle meridian in the Atlantic as bounded by the Declaration of Panama. The reasoning back of this would be that the United States does not wish any hostilities within the so-called neutral zone. If such a rule is announced, the American Navy would be called upon to enforce it within

the neutral zone. This would have a tendency to release the British patrols from convoy duty in crossing the Atlantic.

As spring weather approaches, the British expect to fly most of their planes across, releasing much tonnage which in the winter months was used for planes. British tonnage is, however, scarce and the stuff is piling up on our docks. Diversion of American bottoms by lease or sale is bound to follow in increasing numbers.

March 27

The climax in America's labor situation, long delayed and purposely postponed by the President in the hope of averting the issue, is nevertheless at hand.

New labor laws, collective bargaining, picketing, mediation and the whole series of events that have produced the present strikes and controversies are all part and parcel of the political alignment whereby the Administration for eight years has encouraged extremes in the labor movement, believing it could always handle the situation and keep it in bounds when the time of crisis came.

The test, therefore, is here; violence on the picketing line, interruptions to national defense orders, and a series of court decisions which seem to give labor unions a freer hand than they have ever had are piling up problems that cannot be temporized with much longer.

The real difficulty is in the White House itself. Mr. Roosevelt hesitates to alienate his supporters and he seems particularly weak in dealing with the C.I.O., which at the moment seems much less tractable than the A. F. of L. and far more active in provoking strike crises than are the older trade unionists.

The President's reasons for slow motion are not apparent but they probably are closely related to the technique he has tried before, namely, to let public opinion become aroused

first so that his subsequent decisions will appear to be in response to public clamor.

Congress meanwhile looks on, wondering what it should do. The feeling on Capitol Hill is that the President should have the opportunity to tackle the matter without new legislation, though some of the leaders predict this will fail and that amendments to existing laws will be found necessary.

What the situation needs, of course, is a firm hand by the President. He could cure the labor situation overnight by revealing the same aggressiveness about getting production as he has employed in getting defense legislation through Congress. If it became apparent to all the folks in the government, in the New Deal courts and agencies, that the President wanted dilly-dallying to end and a total effort made for defense, labor strife would diminish rapidly.

The new mediation board has hardly had a chance to function. It was never really endorsed by the C.I.O., but the President went ahead just the same with the order creating the board. The truth is the C.I.O. feels the defense situation offers an unparalleled opportunity to do organizing on a big scale and to force concessions from owners. The Norris-LaGuardia injunction law successfully prevents the employer from acting in the federal courts to enjoin acts of violence and coercion and now labor is getting similar statutes passed by the state legislatures. The Supreme Court minority—Reed, Black and Douglas—seem to be ready to support an interpretation of picketing which encourages the unions to go the limit.

Altogether the President can say a few words on the general subject of behavior in strike situations and not only would the country applaud but the C.I.O. unions would be heedful of the warning. Mr. Roosevelt will be back at his desk next week when he will have to make some move to turn the tide.

The situation is approaching a parallel to that which prevailed in Britain in the postwar decade when a labor party government rose to power. Gradually labor asserted itself until

a general strike was called, whereupon labor was compelled by public opinion to accept restrictive legislation. In America today we have virtually a labor government. It is all-powerful in the states as well as the federal establishment. Because it is abusing power, it is rapidly alienating public opinion. Interruptions almost equivalent to a general strike in the sporadic tie-ups of essential parts for national defense production have focussed the attention of the people on the issue. Will labor here overplay its hand as it did in Britain?

My own impression is that the C.I.O. will not recede till forced by the President through open tactics and publicity. Mr. Roosevelt is up against a most delicate and difficult problem—how to reverse engines and restrain his own most powerful pressure group, namely, labor unions.

April 3, 1941

President Roosevelt is engaged in the biggest kind of gamble a statesman can take—a gamble against war with all the risk of war. Surface impressions and incidents give a picture of probable entry of the United States into the war largely because events now are beginning to coincide with what happened before we entered the last World War.

But the parallel can be misleading. In 1917 America had worked herself into a diplomatic position by an exchange of notes, so that Germany's proclamation of unrestricted submarine warfare could not but be accepted on its face by the United States as a virtual declaration of a state of war.

Today America has a free hand and our people are not clamoring for a satisfaction of dignity. The President is betting by his policies that Hitler will not declare war. In fact the whole American program, its boldness and its venturesomeness, is based on a deep-seated conviction that it is wholly inexpedient for Hitler to declare war on the United States or to recognize various actions of ours as acts of war.

There is some reason to believe that even the use of convoys, while doubtless leading to some shooting affrays, would not mean a formal declaration of war on either side. So far as Washington is concerned it will not permit even the loss of a few ships to be used as a provocation to war. Whether public opinion would demand war under these circumstances is something else, but, though ready for any eventuality, the Administration does not wish to engage in actual war.

Hitler's dilemma is many-fold. First, if he declares war on the United States, he serves notice throughout the European continent that the colossus on the other side of the Atlantic is coming into the battle with limitless money and resources. The morale of the German people and the other peoples under Hitler's yoke would be affected by such a development, especially since many adults remember what America did in the last war to tip the scales.

Second, if war is formally declared, America becomes transformed overnight into an efficient industrial machine. Strikes and other delays would not be tolerated. Working hours would be lengthened and Americans would insist on offensive action. Hitler cannot afford to make America efficient. His game would better be to let America drift along as at present, with the climax of her effort possibly coming in 1943, by which time Hitler thinks he will have forced Britain to defeat.

Third, if Hitler declares war on the United States, he complicates the Far Eastern situation and puts the United States fleet into the Pacific. A Japanese-American war would be naval and it would not tie up American production effort as much as has been hitherto believed. Hitler ought to think twice before provoking America into a war in the Pacific, though his present policy is aimed at immobilizing the American Navy.

If the United States goes into the war a large part if not all of Latin America will go in also. It happened this way in 1917. The United States could not then or now afford to see any Latin, Central or South American states neutral. This

would mean serious problems for German citizens and their properties in Latin America where Hitler has been hopeful after the war of building up his trade.

All in all, Hitler doesn't want to declare war at present and the President knows it. Hence America's policy can probably go even to the point of using convoys without bringing a declaration of war. The seizure of the German and Italian ships in our harbors is rather convincing proof that Hitler doesn't dare to declare war. He has too much to lose by it and very little if anything to gain. He will protest and make threats but he will not do anything to accelerate a declaration of war. Meanwhile, knowing Hitler's dilemma, the President will go forward step by step in the aid-to-Britain program, ignoring old-fashioned neutrality and doing everything to help Britain except to send man power.

April 10

This is a jittery week in Washington. News dispatches from Greece have been disquieting and discouraging. But this was really expected in the sense that few officials, if any, believed the motorized divisions of the Nazis could be held back for long in their invasion of Greece. The Yugoslavian situation is somewhat different because the terrain is mountainous but it cannot be denied that the stories of Nazi successes have brought the blues for the time being.

What lies in the background of events—the plans and strategy of the British—cannot be disclosed. That the Greek reverse was anticipated in London is known here but it can be assumed also that the British would not have landed a huge expeditionary force if they had not calculated on the possibility of a German advance into Salonika.

Prime Minister Churchill's pessimistic speech coincides with renewed efforts to wake up America to the gravity of the whole European situation. Unquestionably London is far more

interested in getting more American patrol vessels to help fight the submarine war in the Atlantic than it is in the rushing of help to the Eastern Mediterranean. The impression here in Washington is that Britain has planned to harass the Nazi forces in the Balkans as long as possible and to intensify her use of sea power in the Mediterranean both against ports seized from the British and against points occupied on the African frontier. Hence more American ships to help relieve the already-overburdened navy of the British is the most compelling factor now.

There are inside discussions as to whether convoys are better than the turning over of American naval and patrol vessels. The latter course will be followed for the present.

April 11

The strike situation shows some signs of improvement but there is no assurance of labor peace. The right of locals to bring on strikes even against the advice of national officers is a disturbing influence.

The Administration is still handling the situation with gloves, believing that quiet efforts to deal with the problem are better than the crackdown tactics being urged by members of Congress. The defense investigations by the House committees, incidentally, are serving to put on record the views of Secretary Perkins and others in the executive set-up. This testimony may prove of importance in the coming weeks of congressional debate, especially if the strike situation should grow more serious.

There is no doubt that Administration officials are trying to minimize the importance of the strikes thus far. The White House, according to authentic reports, has been ready to come to grips with the situation but is constantly being urged to wait because of the prospect of a change for the better in this or that specific situation. As one big strike is settled, how-

ever, another one pops up. The Administration is evidently timid about forcing the whole issue to a climax because the various disputes vary both as to cause and intensity. Thus, the issues in the Allis-Chalmers strike differ from those in the Ford or the Bethlehem situation. The problems in the coal and steel strikes, respectively, are not the same.

But one thing runs through the whole thing as a common denominator—union leaders feel this is the time to exercise their rights, irrespective of the desire of the nation for uninterrupted production. Mr. Roosevelt is in the awkward position of having proclaimed America to be in the most critical period of all her history, yet unionism-as-usual goes on and Secretary Perkins, expressing the viewpoint of most Administration officials, seems indifferent to what is going on at the economic front.

The President is patient and would prefer to try his hand at settling the strike problem by personal contact with Phil Murray, head of the C.I.O. Mr. Roosevelt doesn't feel justified in taking drastic steps until he has used moral suasion.

The country may get impatient—Congress is already restive. But Mr. Roosevelt, on the other hand, may have a better array of facts and arguments to use as a background for any action he decides to take if he endeavors to apply personal pressure now than if he jumped into the fray with executive orders commandeering plants and putting the government into the management business in large industrial operations. Such a step could mean delays and some confusion and will be attempted only as a last resort.

April 14

For eight years the New Deal school of thought has been tending toward price control and government price-fixing. Now under the urge of a desire to prevent runaway inflation and price spirals, growing out of the abnormal demand for

goods created by the national defense program, price control is ordered by executive fiat.

Without authority of Congress, but under the broad powers being assumed on account of the defense situation, the President has delegated to a new agency of government the task of policing the prices of important commodities. The word has gone forth that the power of publicity will be used at the outset, but it is understood that pressures of various kinds will be applied wherever the Government can develop punitive tactics against citizens who disagree.

Thus does "planned economy" come into being as a historic incident to the defense program. Unfortunately, however, the problem has not been thoroughly canvassed by the government and inevitably politics will enter it. For the present administration is afraid of labor unions and the labor vote and will do virtually nothing to keep down the principal factor which is forcing prices upward—indiscriminate demands for wage increases based on no real necessity except the general idea of getting something because the volume of business is growing. The fact that businesses by reason of excess profits taxes are actually going to earn less rather than more net income this year is not bothering those who keep on demanding wage increases.

The present Administration except for a few abstract exhortations here and there has refused to recognize that the price spiral is to some extent of its own making. It has issued priorities long after overstocking and abnormal buying has begun and when a rationing system should have been ordered. It has encouraged monopoly power in the hands of labor groups and has refused to do heretofore the essential things necessary to keep prices down. Thus the whole tax plan has been clumsily applied without regard to the price structure. In many instances the taxes imposed by the government have had to be tacked on to selling prices. Many businesses are in the position of being squeezed from the top by bigger taxes on net

income and from the bottom by bigger and bigger demands for wages.

If price control is to be effective it must be applied against all groups with uniform vigor. It will be interesting to see whether a single step is taken by the present Administration to discourage the epidemic of demands for wage increases which are responsible for so many strike situations. With characteristic unwillingness to face facts, some spokesmen of the Administration on labor matters are shifting the issue and blaming collective bargaining or jurisdictional strikes or some other circumstance while overlooking the general trend toward demands for wage increases. The labor problems in the coal situation, the steel situation, and the automotive situation today are all the result of demands for higher wages. For in coal, as well as in the U. S. Steel and General Motors cases respectively, collective bargaining is being duly practised in accordance with law.

As for the employer and manager of business, he is in for more trouble on another front. If he comes to Washington to listen to pleas for price control and goes back home to discuss the matter with others in the same line of business, he is subject to prosecution under the Sherman Anti-Trust Laws. Representatives of trade associations face the same threat. For how can there be any effective price control unless all the producers or manufacturers in a given line of business act uniformly? The moment they do they are violating the law.

It has been suggested that business men be held immune from prosecution, especially when the government requests them to do something for national defense. This is a flimsy protection. Not so many years ago, the present Administration urged various oil producers to get together to keep what was then known as "distress" oil off the market. The oil men agreed, thinking they were acting with the acquiescence of a government agency charged with responsibility for handling the oil problem. They found out later to their sorrow in a series of

indictments filed at Madison, Wisconsin, which subsequently became fines and convictions, that what one government agency says doesn't matter as long as the Department of Justice says otherwise.

There is no certain way to prevent prosecution even when cooperating with the defense commissions here except by a statute of Congress which specifically pledges a suspension of the anti-trust laws for the duration of the emergency or which delegates discretionary power to some agency to grant certificates of immunity when certain conditions are complied with.* Until this is done price control will be unpractical and tend only to cause more confusion, for there are too many factors still untouched which are influential in making prices—taxes, labor demands, uniform action by competitors and orderly rationing by the government itself of vital commodities.

April 17

The unfavorable news from abroad has tended to stiffen the Administration's attitude. Energies will not be relaxed. Efforts instead are being intensified. Announcement of the sending of ten Coast Guard cutters and the opening of the Red Sea to American merchant ships was deliberately made in the face of the news of British reversals in Africa and the Balkans.

This means that, as Britain's fortunes seem to go down, American participation on a more and more active basis can be expected.

What the Balkan war really does is gain time for the United States. Every week's delay in the decision of affairs in the western Mediterranean increases the amount of the American output and gives an opportunity for an improvement in our defense machine.

America has a sizable air force now, compared to a year ago.

* Congress passed such a law in May 1942.

If forced into the conflict suddenly, the United States can give a much better account of itself and be of much more value to Britain in the Battle of the Atlantic and in the African coastal war than was the case a year ago.

Enthusiasm for active participation in the war is lacking in Washington. War will come only as a last resort.

The general impression is that America will never deliberately embark upon hostilities but will slip gradually into them. Thus the other day the President said our government was obligated by law to protect American ships on the high seas. Next day he seemed surprised—or at least expressed surprise in a rather unusual way through his secretary—that the newspapers had played up his statement. He evidently wants the public, of course, not to be surprised if the American Navy defends our merchant ships against attack and shoots away at any oncoming submarines.

It will be recalled that Herr Hitler has announced that any American ship carrying cargoes of war materials will be sunk without warning by his submarines. This was the specific issue on which the United States entered the first World War. Historically this right to send merchant ships out subject to search and seizure in the customary way has never been abandoned by the United States. If the Nazis attempt to sink any American ships resistance will be offered. This can lead to a general war or to isolated conflicts such as occurred during the time of the Spanish civil war. Hitler will doubtless consider them "local" incidents.

But of one thing the Nazis may be assured. There isn't the slightest intention of letting American flag vessels receive submarine attacks without a return of the fire by accompanying American naval craft or by the merchant ships themselves if armed. Details as to this part of our future merchant marine program are lacking as yet but the trend is in the direction of protecting our cargo-carrying vessels. No other meaning can be applied to the President's "of course" statement con-

cerning the intention of the Administration to carrying out its obligation to afford protection to American ships.

April 18

The labor situation is better on the surface but not actually. The moment one major strike is settled, another one is called. This sort of guerrilla tactics may or may not be guided by the invisible hand of Hitler. It is significant that Vice President Wallace made a speech recently calling on patriotic American laborers to watch out for efforts by foreign agents to dupe them. The Dies Committee insists that Communists are back of many important C.I.O. moves. Meanwhile the public doesn't know what to believe since the only agency that probably knows the truth—the FBI—is kept from opening up its files by direct order of the President. There is apparently a strategic reason for this move. Either Mr. Roosevelt isn't ready as yet to open up on that front or else the FBI hasn't uncovered anything substantial as yet concerning subversive activities in connection with strikes and needs more time for its undercover work.

The price situation is becoming a real problem for the Administration. Wage increases forced by labor in the steel industry put the new Office of Price Administration on the spot. It cannot fight against price increases sufficient to absorb labor costs. Probably it will make a lot of noise in the hope of preventing profiteering or the taking of undue advantage of the wage increase situation to bring about a higher price rise than necessary. Prices will rise, but their rise may be kept from the runaway stage by government warnings and threats.

April 23

Defeatism about the war outlook has risen during the past week and it has come at a psychologically inopport-

tune time for the Treasury, which is about to launch the most severe program of tax rates the nation has ever faced. To arrange to pay for a war about which public opinion is not as enthusiastic as it should be is not an easy objective to attain.

Much of the difficulty about national morale centers around the White House. Very little has been said about the foreign policy that is to be followed except in general terms. The fear that an outright participation policy may prove unpopular still hampers and restrains the Executive. He doubtless feels war may be necessary but he is not taking the steps to prepare the public for it.

Concurrently the unfavorable news from Greece comes at a moment when criticism of our own defense set-up is growing. The Administration's attitude toward strikes is producing indifference toward war issues. If the President isn't willing to let Congress legislate—and his aides are engaged in soft-pedaling all talk of restrictive bills when they can—the rest of the country wonders whether America faces the danger the President says it does.

Then there is the return of the New Dealers to key positions. This has brought discouragement as well as apprehension—the latter because of a belief that the war emergency will be used to entrench the socialism and public ownership trend of the last few years.

The President hasn't made a fireside chat over the radio in some time. He has preferred to let public opinion crystallize rather than lead it—a state of affairs not at all like his course on domestic policy. The aid-to-Britain policy, for instance, is left to committees and groups to foster. It isn't espoused by the Administration except sporadically. One would think that, with the British in such dire need of shipping and help in the Atlantic from our navy, the President would be getting ready to mobilize America for action. But there are no signs

of such an awareness and the average observer might think this was the latter part of 1940 instead of spring, 1941.

The tax program, too, represents a very serious factor in the whole situation. The newspaper reports about high taxes will influence the start of more and more propaganda against entry into the war. The Administration will shortly find the "America First" type of propaganda gaining largely because the ground has not been cultivated for the drastic steps that are to be taken.

Likewise the President has failed to put into motion any real economy moves. It simply doesn't make sense to keep on spending for non-defense projects when the nation is asked to make sacrifices in tax payments for defense. This inconsistency will cost the Administration a lot of support and will tend to promote indifference where there should be support.

Mr. Roosevelt thinks the country isn't aware of the danger that faces it. But he himself isn't aware of the many things that his own entourage are doing or failing to do which create the general apathy.

Take the soft coal controversy and Defense Mediation Board. The President himself didn't order the strike certified to the board for mediation because presumably John Lewis objected. The President made his appeal in public and thus intervened himself. He can't possibly do all these things and keep up with the main job of running the Executive branch of the government and the defense machine.

If one accepts the theory that the United States must enter now to prevent a British collapse and must throw American naval power into the fray to help convoy merchant shipping, then a belated entry next year may prove a tragic blunder. If one accepts the opposite theory, namely that, no matter what happens to Britain, America can get along and that Hitler will not use his power against us, then it doesn't much matter how much delay and obstruction the defense program encounters and how much apathy the public has about Amer-

ican entry. But most of the press has been persuaded that America's fortunes are bound up with those of Britain. On that premise, our present effort is slow and clumsy and the management of the whole business here is such that, if we had a parliamentary system, the present Administration would have a hard time staying in power once the public knew the facts.

April 24

President Roosevelt's leadership in the international crisis is being questioned. One hears it among his own New Deal supporters and one hears it among his opponents. And yet the criticism is based on only surface developments. There is no knowledge of what the President may be planning or what timing he may be thinking of in connection with the events of the next few days. There is an obvious impatience over his indecisiveness on the major issues of speeding up production and entry into the war.

That the British expedition in Greece would fail was known to military experts both here and in Britain, but in the face of this the British Government felt it necessary to aid Greece and Yugoslavia. Undoubtedly President Roosevelt knew the risks involved. He told his press conference Tuesday that the public must not allow itself to be raised to heights of undue optimism over the winning of a British naval battle in one part of the Mediterranean or to drop to the depths of undue pessimism because of what now is happening in another part of the same area.

Whether Mr. Roosevelt has realized that the news will be unfavorable for a little while now and prefers to wait till a more propitious moment before announcing his next move is a matter of conjecture. It could well be that the President wants to see public opinion crystallized as a consequence of a serious British reverse and then determine American policy.

But even granting this premise, it does not explain the wavering and the dilatory procedures, the failure to delegate authority and the tolerance of experimentation and excessive spending in non-defense fields or the gentle policy with one group of labor leaders and the tendency to "crack down" on employers if they don't yield to wage demands.

There is certainly an overall situation which while not yet acute can become so. The same unrest which causes citizens of the British Empire to become critical, as in Australia and even in Britain, when things go wrong is manifesting itself here. Partisan politics has nothing to do with it. Those who are aware of the importance of preserving the British democracy are not thinking about partisanship at all but of effective defense. And just now many officials are beginning to feel that the most effective defense for the United States is an active offense. It is surprising how many people in officialdom seriously believe America had better enter the war now lest the label "too late" be affixed to American policy as it has been to that of all the neutral states of Europe which hesitated and then were picked off one at a time. There is comment often, too, as to what the whole course of events might have been if all the Balkan states had acted together against the Nazis when the war broke out or if America had taken a positive position earlier in the present war.

Today, as nobody knows what the future holds in store, there can be only two hypothetical considerations. Will America, be able to maintain her democracy if Britain loses her fleet? Will America be compelled to enter the war a year hence anyway, and if so would it not be better to enter now?

These questions are discussed constantly in official Washington. The opponents of intervention unquestionably have a much more powerful veto influence than they are generally believed to have. The Gallup Poll, to be sure, says that American opinion is seventy-one per cent in favor of convoys if necessary to save Britain. But who is to say whether convoys now are essential

to a British victory? Will the President say it? Only some word from an authoritative source can influence public opinion on that point.

For one reason or another the President has not felt it desirable to influence the thinking of the country on the subject of outright participation in the war. Some of his advisers think he should and that what confronts America today is not a policy problem so much as a military judgment. If it is arguable that the Nazis might conceivably be able to attack the United States by way of a base at Dakar or by bases among the Cape Verde Islands and South America, especially with the British fleet in their possession, then the question from a military standpoint is whether the United States should wait for such a contingency or should interject its forces in the path of a possible aggressor. Nobody can guarantee absolutely that an invasion by the Nazis possessing the British fleet is impossible. All one can argue with some degree of substance is that it may be improbable or remote. But the safety-first philosophy of the military mind usually prevails. Defense tactics are based on remote possibilities because public opinion does not condone lack of preparation for any contingency.

The critics outside the Administration do not have the responsibility for policy today. They would not be blamed if America found herself under the domination of a European power for the first time since 1776. The present Administration would be blamed and particularly the President who, having been elected for a third term because of an unprecedented international situation, was expected to lead the nation even into war if he felt that America was about to be attacked or might run the risk of attack if Britain were not effectively aided.

The next move is to decide whether the United States should convoy her own merchant shipping to the Red Sea and to the African coast, if not to ports of Britain itself. The defeat of the British in the Balkans has started a counter move for more

action to help Britain. And that just now centers in the authority and judgment of the President of the United States.

April 25

Discussion is beginning to be more and more penetrating hereabouts on the lack of an effective Administration set-up to steer America through the perilous times that lie ahead.

Scattered agencies with functions inter-related here and there are caring as best they can for the interests of the nation on defense. The diffusion of interests is all right for experimentation, but it is not calculated to get things done quickly and efficiently.

The cry that this or that must be done for the defense program can issue from almost any government agency. There is no overall criterion or yardstick wherewith to measure the extent of the sacrifices that must be made. It is not enough to say that President Roosevelt has all the power and authority and has not delegated it. The fact is he has not yet been persuaded by public opinion that he can take the drastic steps of delegation that are inherent in any working organization.

What has not yet been realized is that it is impossible for the President through the normal peacetime type of organization to carry on war preparations which amount to the same thing as if America were actually at war. The difficulty lies in the fact that for many decades the United States has functioned by a series of government departments combining related and unrelated bureaus whereas in wartime it is far more important to group together what actually fits together on an integrated basis.

Thus price control, priorities and production are parts of an economic program vital to defense, but yet not readily classifiable within either the Treasury or the War or the Navy Departments.

Likewise it is the principal job of the War and Navy Departments to concentrate on troop training, warship maneuvers and personnel, the making of air pilots and ground crews, and aerial operations. It is fundamentally wrong to ask the War and Navy Departments to make economic decisions related to production.

Now the President believed that in the OPM he had found the answer. But what he has really done in the Office of Production Management is to set up what really should be a segment of a broad economic department. The same is true of the Office of Price Control which has been created by the President as coordinate with the OPM.

Likewise though labor relations constitute a vital part of an economic program, the President has not grouped all the activities relating to it, but has permitted the Department of Labor, the National Labor Relations Board, the National Defense Mediation Board and the Labor Division inside OPM to deal with labor problems. Each has an important task, but nobody is responsible over all.

It can be said that Mr. Roosevelt can do the coordinating of all these things, but he is not the kind of man who would insist on doing so if somebody could convince him of the need of a better plan. With all the skill and talent in public administration available nowadays, it is surprising that a comprehensive plan patterned after what has been successfully done in the belligerent governments abroad has not been worked out.

The obligation to put into effect at the earliest possible moment an integrated war machine will be recognized when the crisis comes, but there will not be the same amount of time as there is now for a complete overhauling, or rather regrouping of the units that now exercise important authority.

If it be said that the President is unwilling to delegate power to any except New Dealers, then men of that school of thought can be found who can administer the defense set-up along the scientifically sound lines on which a func-

tional organization should operate. Thus what the United States Government needs today, for example, is the following:

1. An economic ministry or department with a single administrator reporting only to the President of the United States. Under such a department or office should be grouped all the agencies dealing with production, priorities, price control, effects of government policies on consumption, credit and finance.

2. A labor ministry under which should be grouped all the agencies of government mentioned above which deal in any way with labor problems.

3. A general defense ministry of which the operating heads of the army, navy and air corps shall be a part, but with one administrator—the best strategist America possesses—as the single head of such an institution. Under such an administrator there shall be grouped all agencies dealing with home defense and particularly espionage and counter-espionage and fifth columns; and what are known in military terms as “intelligence services.”

These three men would constitute the right hand of the President—his intimate council of defense.

America is still dragging along with peacetime speed on the matter of defense organization whereas careful planning for a well-knit and well-integrated administrative organization to stand alongside the President is the real need of the hour.

BEFORE PEARL HARBOR

May to December, 1941

May 1, 1941

Washington rarely ever has been in such confusion as today. The internal situation is becoming almost as grave as the external. The Supreme Court, by a New Deal majority, has ruled in effect that a government agency can prescribe its own punishments without explicit authorization by Congress. The dollar-a-year men are being shoved aside as New Dealers are grasping for more and more power. The piling up of taxes is in the offing as a new handicap for the free enterprise system to meet.

Public opinion is not yet awake to the internal crisis. It has not yet sensed the inefficiency and clumsiness of our defense set-up. It has been lulled to sleep on the labor issue by the settlement of a few strikes, forgetting that all strikes ultimately are settled but that it is the interim during which production is stopped that counts.

To awaken public opinion is the task of the press and the minority in Congress. Thus far Congress has done some talking but has indulged in little action.

Maybe if hostilities commence soon as a consequence of our naval patrol far out in the Atlantic, conditions may become different in Washington. The urge to efficiency and coordination may then arise spontaneously and promptly, but the muddle as of today is all too apparent.

May 8

Convoys of ships carrying supplies to Britain with the American Navy and Air Force protecting such vessels is now the next step in American policy.

The decision to convoy has been made. The only question really is how to put that decision into operation. Shall it be by authority of Congress, or shall it be on the basis of constitutional power already vested in the Executive?

The Administration all along has held that specific grant of authority from Congress was not needed. There is no doubt that ultimately the power would be voted anyway but the Administration knows a minority in the Senate can prolong debate indefinitely and paralyze action. If there were an agreement on two weeks of debate and no dilatory tactics could be expected, the President would risk the submission of the proposal to Congress. He may do it anyhow, as he is confident that a majority would sustain him, as it has on every major issue related to aid to Britain since the war began.

But the speech by Secretary Stimson reveals that the decision to convoy is already made. Otherwise a Cabinet officer who happens also to be in charge of the War Department would not have made the address he did on Tuesday night of this week.

The navy people have all along felt that as between lending more ships and planes to Britain and operating those ships and planes, it would be better for America to do the actual convoying. So far as military and naval opinion goes, it feels the essential thing is to assure delivery of the vast \$7,000,000,-000 program, and primarily that's a task the United States Navy experts think our navy can accomplish as well if not better than any other navy in the world. It is not a matter of boast but of careful preparation and of concentrated forces in contrast with the necessarily scattered effort of the British Navy in all parts of the globe. If the American Navy took over the job in the Atlantic, the whole course of the war would shift.

For one thing, a combined Anglo-American fleet in the Pacific, properly mobilized, would not be an easy opponent for

the Japanese no matter how many ships were being deployed in the Atlantic. Another thing, the Atlantic job is mostly for light craft—destroyers and submarine chasers and auxiliary vessels and airplanes. The task in the Pacific is for the battleships and cruisers. The American naval experts feel that they can better take care of the whole defense problem today than if America waits till Britain collapses.

Another important point is that joint American-British naval operations would make reasonably sure the transfer of the British fleet to American hands in the event that Britain went down, whereas the lack of liaison between the two navies is today a perilous situation in the event that the British are forced to capitulate by reason of the air raids which are multiplying in intensity and number.

The President doubtless realizes that the American Navy must get into the fray soon. He knows this because he is a practical student of naval affairs, but he is unwilling as yet to go to Congress and ask for a declaration of war. If convoying leads to war or if an overt act causes Germany to declare war, that would be a situation for the President to meet when it arises.

The domestic situation is crystallizing rapidly on the production side. The defense machine is moving ahead much better than before. Labor problems are by no means settled and the price controls and priorities are in a state of confusion. But there is beginning to be a feeling that this will be a long war and that preparations might as well be begun for such a struggle on the assumption that formal entry into the war is an academic matter alongside of the urgency of protecting the sea lanes to Britain, by convoys. That is the Administration view, and though isolationist sentiment is vocal, there is no indication that the President has lost his majority in Congress on the main issue of defending America by saving Britain's bases abroad and in Canada.

May 15

The Hess incident obscures a really serious situation inside the United States. Whatever hope the flight of the No. 3 Nazi to Britain may provide by way of indicating that the so-called invincible Nazi home front may crack at any time is superseded by the graver turn of events here in America.

Not only are labor disputes reaching real proportions again with threats of tie-ups in major industries but there are disquieting moves which indicate a tragic lack of coordination in the top set-up in Washington.

The controversy over who shall handle priorities, the failure of the Executive to establish a clear-cut labor policy and the sudden revival of "shortages" propaganda at the time when the Administration is moving toward government management and ownership of new defense plants are things which the absorbing interest of the public in the Hess episode cannot erase.

The Administration has already obtained approval from the Senate Banking and Currency committee for a bill which would authorize the RFC to go into business on a scale hitherto unknown. The setting up of "public corporations" which would be exempt from taxation is to be legalized and the RFC is to provide funds, possibly \$2,500,000,000. The plan is supposed to be applied in those cases where private industry either cannot or will not build new plants.

After the war emergency is over, the government will have these new plants on its hands just as it had Muscle Shoals after the first World War. The argument which led to the creation of the TVA was that the government had the facilities on its hands. And the establishment of TVA led to plans for other TVA's in other parts of the country.

So the problem of government ownership and competition with private industry with tax money wrung from the pockets of private owners is here in concrete form. Congress has thus

far shown no signs of waking up from its lethargy but it would be surprising, indeed, if American business did not insist on safeguards and restrictions which would prevent new measures from impairing the values of existing properties.

The defense program meanwhile is booming along in certain lines and slowing up in others. The President's decision to put our faith in better and bigger bombers is a crucial one. It means that America will play a decisive role in the war in the air within eighteen months.

May 16

The feeling that this is to be a long war is growing, as is the belief that the British have an air force adequate to protect Britain against invasion. Latest data from England indicates that the British have actually constructed more homes since the war began than have been destroyed. Confidence is growing in Washington that the British can hold on till the major part of America's industrial aid starts flowing in June and July 1942. The peak of America's effort will be in 1943 according to present plans though the question of what is a "plan" is largely conjectural. The talk of a defense program of fantastic size keeps bobbing up all the time though it is difficult to see the sense in expanding the army to tremendous figures which would require equipment that in turn would drain the supply of materials, machine tools and workers.

The possibility of conflict in the Red Sea has not come suddenly. The Administration deliberately removed the embargo on American shipping in the Red Sea and the consequent declaration of that area as a combat zone by the Nazis was not unexpected. If any American ships are sunk in the Red Sea area, it will at once make the issue of convoys concrete.

The situation as to our entry into the war is still the same. The President will move on from step to step in aiding Britain

but it will be the Axis powers who will have to decide how far we go toward actual shooting.

May 22

No improvement is in sight as yet with respect to the uncoordinated management of our defense effort. When the President is indisposed, the wheels seem to stop moving. Actually the Executive has not yet developed a set-up which can run without him and there is a growing dissatisfaction even among New Dealers with the way authority is distributed.

Misuse of governmental power is increasing rather than decreasing. All the pet schemes and hobbies of the Government-ownership school of thought seem possible of fulfillment now that defense funds in lavish amounts are available. With the excuse that it is necessary for defense, millions of dollars are being made available to build plants to manufacture in competition with existing businesses. Already the New Dealers are inclined to give management leases to those whom they especially favor, and the talk around Washington of favoritism is unhappily increasing. The defense program is moving forward but many members of Congress seem to regard it as a huge pork barrel for their constituencies.

The economy efforts of a few members of Congress are growing, but the Administration seems to have lost interest. Very little cutting of so-called normal appropriations will be done. There is no leadership from the White House on this point and hence economies will be negligible even as taxes are increased.

May 23

The whole course of the war may be changed by America's fundamental change of policy on aircraft production. The emphasis now on bombers means something really construc-

tive from a long range view. The technique which has been developed by America's commercial aircraft industry for large transports and long range flying is exactly what is needed now to make the new long range bombers. It is doubtful whether Germany can possibly keep pace with America's bomber development either in types or numbers.

The new theory of war strategy does not as yet involve any potential invasion force by Britain or the United States to be landed on the continent of Europe. It is intended, rather, to build such a huge force of bombers as to break down morale inside of Germany and cause the flar-flung military forces spread throughout Europe and the Near East to become restive as their families back home face increasing danger. Once the morale of internal Germany is broken, it is believed that the British superiority in bombing will also make it possible for supplies and equipment to be landed to re-arm those in France, Holland, Belgium, Norway and the Balkan states who are favorably inclined to the British cause.

Every bit of evidence of what is going on in the propaganda drives of Germany indicates that Hitler will not be provoked into a declaration of war on the United States and will try to avoid giving the President any excuse. Even convoys may not be a cause of war. The Washington authorities know this and will crowd Hitler to the farthest point. But it is to the advantage of the Nazis to refrain from bringing about a declaration of war. Overnight, America would become efficient and put into effect drastic measures to prosecute the war. The present inefficient basis with strikes and other delays is exactly what the Nazis have hoped for and expect from a democracy.

There is talk of a declaration by the President of a "general emergency," but it is not clear what additional value there is in this which is not already available if the President wishes to dramatize the crisis in radio speeches. While a "general emergency" would bring into action several dormant pieces of legislation, it still would not prevent labor from over-

reaching itself with wage increases nor deter the Administration from giving up its politics-as-usual attitude toward wage increases and economic controls needed to attain efficiency.

There is always the possibility, of course, that some German submarine commanders or air bombers will sink American ships and thus produce the sharp issue around which public opinion in the United States may develop a policy of active intervention in the war. Administration quarters are putting more and more emphasis on freedom of the seas, which, of course, is reminiscent of the chain of events that brought America into the first World War.

May 26

The United States has decided upon bombers capable of flying without stop to the northernmost points of Alaska and back, of flying from the new Atlantic sea bases to Europe and back, and of flying from the decks of the navy anywhere in the Atlantic and Pacific with a range running from one to two thousand miles and, finally, long-range bombers capable of flying to Japan and back from our Pacific bases.

This decision to make long-range bombers with a huge cruising radius means that America at last has waked up to what aviation can mean to her safety. America has decided to build as many long-range bombers as possible in the next two years and to gain a superiority in that kind of production which no other nation can touch.

This is why all estimates as to raw material needs have had to be revised upward to unprecedented figures. A program of five hundred bombers a month is planned for the immediate future, with possibly a hundred per cent increase in that figure in 1942.

Germany is not tooled up to produce long-range bombers. She would like to persuade America not to build them. The

British, on the other hand, who now see the theater of war extended to far-flung points of the earth's surface, have agreed that it would be best for the United States to concentrate on bombers whilst British factories turned out the fast pursuit and interceptor planes.

But the United States isn't going to be content with ten thousand long-range bombers. There are to be some new fighter planes with long-range cruising radius, too. The new Vought fighter developed for the navy carries two thousand horsepower and speeds at four hundred miles an hour and has a large cruising radius.

The problem of horse-power for the new bombers has been solved, fortunately, by the remarkable record made by American engine makers—Pratt & Whitney, and the Curtiss-Wright Company. Their air-cooled engines will doubtless develop at least two thousand five hundred horse-power before long, and so with four engines, the new bombers may have ten thousand horse-power, permitting of a wide range and heavy load.

The American people do not know how fortunate they are to have had, by reason of the demands of our commercial aircraft and air transport industry of the last two decades, an urge to build planes of longer and longer range and heavier and heavier load. The school of thought represented by General Frank Andrews, Admiral Moffett, Colonel Bob Olds, Admiral Towers and Generals Arnold and Emmons, who insisted on high altitude, long range and heavy load carrying, is today vindicated. For at last it is realized that what America needs most for hemisphere defense—long-distance bombers—Britain now needs also to win the war in Europe.

The present war is not going to be won by expeditionary forces alone, but by a combination of sea power and air power with emphasis on the latter. The Nazis have land power and air power, but not enough sea power to win and their aviation is not going to be able to provide an effective defense against the swarms of American bombers which are to be in action

in the latter part of 1941 and during 1942. No such pioneering has been done by German engineers in long-range aviation as has been achieved by our Sikorsky and Martin clippers that have spanned both oceans. Today, on the military side, come the offspring of our commercial aviation progress—the Martin and Consolidated flying boats and the famous PBV's being flown regularly to Europe. From the work done on the Boeing and Douglas airliners have come the flying fortresses of today as well as the great four-engine bombers of Martin, Consolidated, Boeing and Lockheed.

When the American bomber program gets into action abroad, the far-flung Nazi armies on the Continent will begin to feel the effects of a weakened morale as German factories and production centers at home are destroyed slowly, but surely. The British objective of the second world war is not just to land troops on the Continent, but to revive the resistance of the occupied countries when once the core of the apple begins to be destroyed inside Germany by the heavy bombers. That is to be America's contribution to the winning of the present war and it is the main reason why the Nazis are engineering a peace offensive in Washington today—they know that time and American bomber production mean the destruction of Germany's conquests within three years. Germany's might will crumble when the families of the soldiers back home feel the most devastating attack ever launched in the air. To supply bombers—not troops—is America's main job; it will mean a rationing of materials and sacrifice of civilian supply and an uninterrupted labor program if the sinews of victory are to be provided.

May 29

Decision to use force whenever necessary to protect the shipment of America's cargoes to Britain has been foreshadowed for many weeks and was referred to as a definite

policy when Secretaries Knox and Stimson made their speeches. It was only a question of how and when to make the announcement.

Admiral Raeder's threat to shoot at American ships of any kind, naval included, if engaged in protecting the shipment of goods, furnished the basis for Mr. Roosevelt's declaration. He construes the German navy's pronouncement as a threat of attack. He maintains that he must use force "to repel attack." Under the Constitution the President can "repel invasion" or attack whenever he wishes to employ the armed forces to do so, and he does not need to ask authority from Congress.

Whether this is good or bad tactics is not necessary to argue now. It is merely being pointed out that this is the reason why the President doesn't go to Congress to ask for a declaration of war.

While not exactly parallel, still the Wilson procedure leading up to our entry into the last war was not much different. The exchange of notes with Germany over the sinking of American cargoes charged that Germany had attacked us. When the war message was delivered to Congress, it was a request for a ratification of a state of war as having existed between America and Germany.

The chain of events thus far does not include any charge of actual attack by Germany, but of potential threat to attack. The circumstances of Admiral Raeder's published threat may play a large part historically in the "white paper," if there ever is any, reciting reasons for America's relationship to the second world war.

When the embargo was repealed, America took her first step. When the Lend-Lease Bill was passed America took her second step. Both steps were approved by Congress. Now the third step—decision to protect by force the defense program's output as it is carried to Britain—is a step that flows as a logical sequel to the first two. To ask Congress for ratification

at this point would have meant a long debate, as in the first two instances, but in the end Congress would have approved.

This point will arouse difference of opinion, but members of Congress would find it difficult to vote to let goods paid for by huge appropriations go to the bottom of the ocean.

The President's supporters are still hopeful that protecting commerce by force will not mean war in the same sense as in 1917. But this is up to Hitler to decide. My own impression all along has been that he would not like convoys but that he would order his naval commanders to be careful about furnishing any incident which would justify further involvement of the United States.

While the might of America is to a large extent already available to Britain, it is not efficiently organized. The President's strong words about strikes and about the need for cooperation on every side will have little effect, because the group interests have known all along how important it was to get the defense program produced and have known its general purpose, but this has not prevented work stoppages. Mr. Roosevelt will have to do something more than exhort labor and management. He has the power to insist on mediation and can get legislation for a cooling-off period and compulsory mediation if necessary, but he has shown a reluctance hitherto to do so.

The declaration of "an unlimited emergency" is psychological rather than legalistic. There are some laws which come into action upon proclamation of an emergency but there is very little the President can do today that he could not have done last week under his broad constitutional powers. The proclamation helps to put the nation in a state of receptiveness for shooting if it becomes necessary to protect commerce.

In a legal sense, we are not in war. In a realistic sense, we have been in war ever since we used government funds and naval equipment to aid an active belligerent. The procedure of a democracy in handling itself in a world where

"undeclared" wars occur is somewhat awkward, but, as the President's speech reflects a national purpose, it will historically be set down as the sequel of two separate votes in Congress—the embargo repeal and the enactment of the Lend-Lease Bill.

June 5, 1941

The course of events abroad is not too cheery to suit the morale of an all-out-for-defense program but there is nonetheless a determination in Washington to keep on making contracts for the indefinite future—looking into 1943 and even 1944. The possibility of a British collapse is always in the background but it does not seem to affect the size or scale of the plans being made or the spending. It appears to be settled that if Britain is ever out of the picture, America must redouble her efforts to accelerate the completion of the two-ocean navy and of an air force superior to anything else in the world.

So while it would appear that the end of the summer may see the Mediterranean under complete Axis control by reason of the air forces deployed at strategic bases, there is not the slightest sign that official Washington believes a peace treaty or armistice is in the cards. This does not mean that the Nazis are dormant on the subject. They are really active and it would be a big stroke from their viewpoint if somehow they could persuade the United States to curtail her preparations for war. This, the Nazis think, should result from a few more telling blows at England and from an expected rise in isolationist sentiment inside the United States as the story is hammered home that "Britain can't win."

This kind of a "peace offensive" has already made its appearance in the national capital but thus far it has not struck any more sympathetic response than among the few in Congress who want to see the present military situation confirmed.

There are some who believe Berlin would not be as harsh as the Nazis have been in wartime, but such gullibility is not widespread.

What is really rising is a sentiment for the removal of any obstacles to the defense program that mean delay. The members of Congress are hearing from home about defense strikes, sabotage and bungled handling of this or that aspect of defense contracts. On the whole, however, the President's "fireside chat" has not brought war any nearer and there is no sign yet that the air patrol system at sea will be followed by naval operations of a protective character.

The next step forcing America's hand will have to come from Berlin. It may revolve around Nazi moves in and around Dakar or it may await the Nazi descent into Portugal, but it does appear that before the end of the summer, American policy as enunciated by the President in his radio address will be called into action.

The defense program, viewed as a whole, is coming along better than has been expected and at a much more rapid rate than anything done in the corresponding period of tooling-up or preparedness in connection with the first World War. But there are serious defects in administrative management at Washington. They are mostly due to absence of a competent over-all group with power or authority. The President still runs the show through Harry Hopkins or through Stimson or through Knox, selecting particular personnel for particular tasks. Altogether too many details have to be sent to the White House for approval. If America enters hostilities, this set-up will definitely have to be changed. The pity is the President is not inclined to do anything about it now when time is just as precious as it will be when hostilities are under way.

An example of lack of planning and an almost careless handling of national psychology was the seizure-of-property bill. Though doubtless desired so as to enable the government

to seize machine tools or perhaps stocks of aluminum or steel which have been hoarded, the proposed legislation came to Capitol Hill out of a clear sky without much explanation or specifications. Naturally the Administration leaders saw at once that the measure had to be materially amended and restricted. This will be done, but it was most unfortunate that the isolationists who have been crying out against dictatorship and loss of liberties at home should have been handed a day's supply of sensational headlines to be used in corroborating the suspicions they have been spreading.

In the last war the word most often heard was "coordination." The demand for it rose in the spring of 1917 and continued unheeded until early in 1918. President Wilson finally delegated power and authority. Mr. Roosevelt may find it necessary to do the same, but the country isn't as yet aware of the need because the Congress has not bestirred itself sufficiently on the administrative side of things.

June 12

Use of Federal troops to break a strike, as happened at the North American Aviation Company plant, is not a salutary development in the long run, though for the moment public opinion applauds. Failure to dig deeper into the causes of union defiance of the government on a defense project is in need of emphasis instead. For, the precedent having been established, the chances are that certain union leaders of the Communist variety will aggravate the issue until the army has to take over plant after plant.

Washington is troubled by the development on the labor front. Congress is well aware it has neglected the problem in the past due to the President's insistent demand that the legislators keep hands off the labor situation. Not only has every proposal to amend the Wagner Act been given the cold shoulder by the Administration leaders in Congress but the same

bills now being pressed for passage to provide compulsory mediation were soft-pedalled by Administration spokesmen a few weeks ago.

While the labor situation will be improved by the decisiveness shown by the President, it is not the end but the beginning of labor disputes between the government and unions in control of subversive elements. Fortunately the patriotic leaders are cooperative and do not condemn the government's action. They realize that all labor has been put on the spot by a small minority. What they do not realize is that they have been duped by subversive elements and that a house cleaning was long ago overdue. The present situation could end in government control of unions eventually because the public relations of the labor movement are growing worse every day. But the present Administration will not take any drastic steps unless public opinion actually compels it. To assume or infer that there is to be an anti-labor policy followed hereafter by the present Administration would be a mistake. The New Deal will meet serious emergencies with troops, but is not yet prepared to remove the sore spots that lead to labor difficulties, such as subversive control of labor unions through the use of Wagner Act machinery for collective bargaining.

More important perhaps than the labor situation has been the behind-the-scenes aspects of the European war developments. Some impressions in Washington coincide with what is being said outside, namely that the President, having delivered a rather bellicose speech in his May 27th fireside chat, has lately seemed to slide back to earlier positions. This is being interpreted as meaning that he will not allow the navy or air force to do anything that means shooting. The President is reported in some quarters around Washington as having swung somewhat to the theory of avoiding war at all costs. This is, however, an inaccurate analysis of his attitude.

What makes it difficult for American policy to be appraised from day to day is that the President is anxious to avoid tell-

ing Herr Hitler via the press just what is contemplated by the United States. If the President is silent, it is much more a sign that things are not going as badly with the British as might appear from the press, instead of a sign of despair over the alleged helplessness of the British cause.

The impression is widespread outside of Washington that the President hasn't the country back of him for a belligerent step. The Gallup Poll results are somewhat contradictory and confusing in their questions about our entry into the war. The President, however, has never had the idea that war was inevitable. He has felt that risks must be taken even if they mean war and he has not hesitated to show he isn't bluffing about the potential use of America's force if Western Hemisphere interests are in any way impaired. But there isn't the slightest doubt also that if Mr. Roosevelt could maneuver things so that America actually would avoid war and at the same time would help the British to carry on to victory, he would do so.

The only unmistakable cue to America's policy toward Europe is the way the defense program is being pushed. Fantastic sums are being appropriated and will continue to be appropriated on the theory of a long war. Britain is not showing any signs of weakening. If the Churchill Government is ever overthrown, the feeling here is that labor in Britain will not permit any peace to be made with Hitler, but will be even more aggressive in fighting the war.

June 19

Slowly the measures that a quasi-belligerent nation must take to defend itself are being taken. Closing of the consulates of the Axis powers and freezing their funds, which are used for propaganda, are inevitable steps in the war program of the United States. But the Nazis will continue to operate from Latin-American countries where they have hun-

dreds of thousands of their own nationals and plenty of influence with some of the governments. What has been done, however, forces the issue and enables the American Government to insist that somewhat similar steps be taken everywhere south of the Rio Grande.

June 24

Although the American Government for several months envisaged the possibility of a Russo-German war, nobody here could shape our policies on that basis because the intimate relations between Moscow and Berlin were not known till Hitler revealed them in his proclamation of war over this last week-end.

This means that the United States is caught by surprise and must make its policies conform now to the new turn of events. Though disliking Communism and Stalin's dictatorship, the United States accepts the thesis that whoever fights Hitler in this war is on one side and that anybody who condones what Hitler is doing is on the other side.

The question of military or naval help to the Russians under the Lend-Lease Bill is likely to remain academic for some time to come because the United States is largely interested in aiding Britain, and whatever London decides to do with war materials is something for which the British do not have to make explanations. The Britons are fighting this war and the United States is merely supplying the tools.

Surveying the effects of the Russian entry into the war, there are certain tangible gains for the British side as viewed here and some gains for the United States. These are summarized in Washington as follows:

1. The Nazi air force must divide its strength between two fronts and this enables the British to destroy lines of communication and industrial centers on the Western Front in

France as the Russians absorb the Nazis' attention on the Eastern Front.

2. The Japanese cannot assume an aggressive course toward America this summer. They cannot know at what moment Russia may switch her policy and actively aid the Chinese. Japana's policy of neutrality means the American fleet can operate in the Atlantic these summer months without worrying too much about developments in the vicinity of the Netherlands East Indies.

3. The disturbing elements in the American labor union movement which have been called left wing and communistic will be forced into the open now. The prevailing view here is that the Communists have been a shield or cover for Nazi operations. If they are not, America's labor troubles will be diminished. If they are, there will be little change on the labor front. In any event the situation will be clarified.

4. Those isolationists who have believed Hitler would never bother with the United States because he will have his hands full with Russia and with other European problems are now face to face with the fact that Hitler is never too absorbed to take on any risk and that he plays a desperate gamble at all times.

There can be no denying the fact that the entry of the Russian Soviet Union into the war against Hitler makes it difficult for the democracies to handle the question of ideology. Hitler, however, is never bothered by inconsistencies. Whenever it suits his military purpose to add or subtract a nation from his side, he does so boldly. The United States Government has already spoken. The defeat of Hitler is the prime objective.

The revelation of how Russia has been quietly irritating the Nazis and giving questionable cooperation to Berlin indicates that Hitler needs war materials and food for a long war and now feels he must have them even at the cost of being

accused before all the world of turning on a partner with whom he signed a ten-year non-aggression pact.

Views differ in Washington as to the quality of the Russian military machine. The preponderance of opinion is on the pessimistic side, it being argued that the recent purge of military officers left the Red Army weak. Other sources, however, declare that Stalin has been building up a sizable air force since the days when Colonel Lindbergh came back from Moscow and declared the Russian aviation inefficient and inadequate for a major power.

The Russian airdromes are built far inland. The Soviets have some bombers which were built in the United States before the war started. These are of the long-range variety and it may be that Stalin planned on long-range weapons because he intended to locate his principal airdromes far within his own borders.

It seems inconceivable to most observers that Stalin could have allowed more than eighteen months to go by since the outbreak of war without putting his industrial machine to work on airplanes and weapons of war. The Nazi confidence in their own invincibility may have led them none the less to take the chance that Stalin could be better defeated now than a year hence when his preparations would have been so much further along.

The Russians have been asking for certain machine tools from America and will probably get certain vital help in that direction, but much will depend on what sort of resistance it begins to appear can be made by the Russian forces. If the Russians hold their own for a few weeks, considerable help from the United States of an industrial nature may be forthcoming by way of Vladivostok and the Siberian railways.

As for Communism, the growing belief here is that the war will break it down as it will break down Fascism if the British and democratic states appear to be getting the upper hand. The last war caused the régime of the Czar to collapse

and the same result may be in store for Stalinism. The slogan of the present war, facetious as it may sound today, may eventually be to make the world safe for democracy including a democratic movement inside Russia and Germany.

June 26

Russia—by giving America and Britain more time to prepare—may have turned the tide of the whole war. Although official Washington's military experts—including many of the foreign military people stationed here—give Russia not more than five or six weeks before crumbling, the significant thing is that everybody expects the Russian mouthful to give Hitler indigestion just the same. It's from the disorganized state of eastern Europe and the changed nature of the war that most of the optimism here arises.

What is most important for the United States is the probable effect of the new events on our relations with Japan. The policy of Japan should not be as aggressive now that Russia is anti-Hitler and this is taken to mean that it may be safe for the United States fleet to be in the Atlantic—that is, not all of it but a substantial part. The truth is, however, that tension between America and Japan began to ease five or six weeks ago for reasons unknown. The speculation is that the arrival of a comfortable supply of American and British bombers in the Philippines and Singapore, respectively, had something to do with it, not to mention, of course, the increased prestige that airpower as compared with battleship power got in the battle between airplanes and the "Bismarck."

Japan is not likely to permit her merchant ships to be used as disguised raiders for the Axis nor is there likely now to be any serious trouble about the Netherlands East Indies. Quite a lot of traffic in war supplies will go freely across the Pacific both to help Russia and to build up the British forces in the Near East.

The effect of the entry of Russia into the conflict on the possible outcome of the war itself is a subject of much discussion on the inside here. It seems fairly certain that Hitler will make a real peace drive if he pushes Russia back into the interior. He will then be bidding for time. He will urge Britain to make peace at once and will offer to let her keep her empire and will not make troublesome demands in Africa. His desire will be to get a free hand on the continent for three or four years, and, of course, to bring about an economic reorganization of Russia. The American people will be urged to fall in with the scheme but since the British are the ones to decide their own part in the war and the United States under President Roosevelt seems committed to an aid-to-British policy indefinitely, it is unlikely that the Hitler strategy will succeed.

The ideological aspect of the Russian situation will be vexatious for the British both in their own country and in America. The opposition to Communism for religious reasons is considerable in the United States. So also is the opposition keen because of the inroads that Communists have made in the American labor movement. The mere thought of being allied with Stalin even indirectly sends shivers up and down the spines of many officials here who realize that the isolationists will make capital out of it. But the Churchill speech by its forcefulness and promptness did a great deal to checkmate dissension on the Russian issue inside America, though it did not by any means squelch it.

It will be interesting to see whether the fomenting of strikes will be less troublesome in the future than in the past. The term "Communist" has been used again and again to describe the left-winger who insists on using the Wagner Act or the strike mechanism as a way to break down our production. Actually the Nazis have used Communists as their front men and if the strikes continue it will be apparent that the Hitler agents are still active.

The "closed shop" issue is looming on the horizon as the biggest of the whole labor problem. Congress is going to be compelled to do something about it soon. A soft coal strike to force a closed shop in certain southern mines is a possibility.

The Washington picture is somewhat one of relief at the way things are developing abroad but of deep concern about the slowness of our own production machine. The clash between the dollar-a-year men and the New Dealers is keeping friction going inside Washington. Price control through legislation is coming and this means more New Deal power over the economic system. For the Administration is pushing aside conservatives and accentuating the New Dealers and the left-wingers. It's a situation that is bound in the long run to impair and delay the American production program.

July 3, 1941

It would be encouraging if it were possible to report that things on the Washington front were getting better, but the truth is they are not. The controversies between the OPM and the New Dealers are a source of growing friction. The clash between sound business judgment and unsound economic doctrines, now cloaked with the vague excuse of "war emergency," keeps production plans in a state of flux. The money for large-scale expansion is there, but the formula for getting things done is still nebulous.

A distinction must be drawn, therefore, between moneys on contracts authorized and those actually let. Huge sums are being appropriated, but the fulfillment of the program is a long way off for the simple reason that the New Dealers hold the power and are still fighting class wars when they get into conference with the business men.

The President's answer to all this bickering seems to be always to reshuffle the personnel. The other day Mr. Ickes didn't like what was said by the trade association executive of the

power industry and he saw to it that the OPM established a rule which eliminated that individual. The executive in question just happened to differ on questions of fact and statistics—easily verified by impartial persons—but the New Dealers do not like to have anyone question their data.

Such a state of affairs cannot go on indefinitely without resulting in some sort of revolt in Congress. The members have been quietly cooperative for some time. They have not hampered the Chief Executive. But the time is coming when the people will demand that the members of Congress take an active part in compelling the defense program to be straightened out.

The House Military Affairs Committee report demanding that the defense effort be coordinated "under a single responsible head" is laughed off by the New Dealers, and Hyde Park press reports say Mr. Roosevelt dealt with the report rather flippantly. This is not going to make for harmony in Congress. It merely hastens the day when the whole defense effort will be subjected to severe criticism by public debate on Capitol Hill.

Industry is cooperative, but the New Deal administrators know very little about the operations of industry and apparently do not wish to have men around who do know business detail. Unless a business man who comes to the OPM is willing to adopt New Deal philosophies of overexpansion and reckless spending, he doesn't get very far. Some have succumbed but most of them are sticking to their convictions and taking it on the chin in an atmosphere that grows more and more tense right along.

The fight will come to a climax in the autumn. By that time the Russian retreat will have begun to stir apprehensions once more about the importance of getting our defense program here under way at greater speed. Just now the Russian entry into the war has served to slacken momentum.

Most disquieting of all the developments is the way the

Administration is handling the labor problem. The National Defense Mediation Board, which has a difficult job at best, seems to be leaning toward the closed-shop idea. This opens up old sores and starts new ones. Just how production is going to be accelerated by using the defense emergency to start new departures in many industries is puzzling to understand. The thesis now seems to be to prevent strikes by giving labor virtually one hundred per cent of what it asks for. This is particularly true of the North American Aviation Company strike, where the troops were used to permit workers to resume their operations. Having afforded this legitimate protection, the Administration has had a sort of guilty conscience about it and now the Defense Mediation Board has yielded to the political expediency doctrine of evening things up by insisting on a modified closed shop at the North American Aviation Company plant.

July 9

Any closer to war? This question is asked again and again. The answer is that Germany's attack on Russia has afforded a breathing spell—just how brief we shall soon know. But the shipping losses in the Atlantic continue heavy. And that means air patrols and destroyers of the American Navy eventually—perhaps this summer—shooting away at the Nazi subs as Secretary Knox himself advocates.

July 10

The question of when America will enter the war becomes more and more academic every day. To all intents and purposes, the United States is merely engaging in a huge defense operation and nothing is being done that can be termed offensive unless the Nazis choose to interpret it that way. Mr. Roosevelt, knowing that Hitler has his hands full for the

time being with Russia, can take risks. Should Hitler some day decide to recognize America's action as belligerent, he must make the first move. He must do the attacking, which is certain to result in a recognition of a state of war as already existing. Congress would hardly refuse to vote for such a declaration if the Axis makes a direct attack.

This procedure on the part of the President keeps America out of the active conflict for the time being, but it doesn't necessarily assure our abstention from the shooting war.

At the moment the prospects of a prolonged resistance by Russia are brighter than they were a fortnight ago. Again the factor of soldier morale is baffling the experts. On paper the military men say it isn't in the cards for Russia to win, but the imponderable—which is the all-important question of morale—fooled the experts last summer when they predicted that Hitler would be in London by autumn. If Russia holds out for even six months, Britain and the United States have gained valuable time. We need it. Our defense program is not moving along as well as it should.

Congress will some day make an exhaustive investigation of the things that have hampered the defense program and it will find some scandalous delays. But this isn't getting us any airplanes today when we need them.

The occupation of Iceland will increase the demands on our defense machine. Now we have a substantial force of American boys far away from continental United States, and while we have always had several regiments in Hawaii and the Philippines, we also have had peaceful relations with Japan and a considerable naval force to watch out for our interests. In the Atlantic, the Nazi submarines and raiders are loose and occasionally some of their bombers make long raids. But it is questionable whether the Nazis have many bombers capable of taking off from Norway to do any damage in Iceland. It is improbable that any such maneuver would be made at this time, as this would precipitate America's entry into the

war. Herr Hitler doesn't want the United States in as an active belligerent, at least until after he has conquered England and got hold of the British fleet. But Mr. Roosevelt doubtless reasons that, if Britain fails, the fat will be in the fire and that America then will have to fight a defensive war anyway.

The effect of the Iceland move on the morale of the British is already apparent, but it would be interesting to know what the effect is on the German people who see the United States moving closer and closer into the world war as she did in 1917. Recollections of what America did to tip the scales then must be vivid, and unless the victories on the Russian front are soon forthcoming, the first breaks in the morale of the German people may be expected. A sudden ending of the war as rapidly as it began may well occur if the Russian campaign is a flop and the United States starts clearing the Atlantic of submarines.

Just what orders have been given our naval commanders is, of course, a secret known only to them and the President, but it is safe to assume that the language of the President's message to Congress meant something more than merely protecting the waters in and around Iceland. He spoke of safeguarding the "approaches," and that might mean airplane patrol for thousands of miles in order to detect the submarines wherever they may be based. We shall be sending a constant flow of supply ships to our troops in Iceland and that makes it all the more necessary to clear the Atlantic at least around Iceland and as far out into the ocean as possible. Occupation of the Azores and Cape Verde Islands may not come unless Hitler moves down into Portugal. But the move into Iceland is a warning to Hitler that Mr. Roosevelt doesn't feel he needs a declaration of war by Congress to occupy anything in the Atlantic Ocean which his advisers deem essential to our defense. It is not Iceland alone but what may come after Iceland that must be worrying Berlin today.

July 17

Japan's capacity for trouble-making in the Far East is occasioning much concern in Washington just now. There are two factions in Tokyo—one wants to play along with Hitler and harass the United States by making moves in Siberia to delay or obstruct our Lend-Lease shipments, and the other is in favor of stalling until the European situation clarifies.

Meanwhile, reinforcements in Singapore and the Philippines by the British and American forces respectively, including substantial air power, would be calculated to prevent any open break. The Japanese are doubtless being pressed by the Nazis to make some sort of demonstration to worry America at this time. The economic situation in Japan, however, is growing worse on account of the drain of the Chinese war, and business men in Tokyo are believed to be a strong influence for the resumption of friendly relations with the United States and scuttling the Nazis.

Until the picture is clearer there will be apprehension here. For the United States Government, though not unprepared for eventualities, is plainly assuming that the Far East will remain peaceful while the Battle of the Atlantic goes on.

News from Russia continues puzzling. Expectation is that the Soviets will continue to give ground but that their armies will remain a source of delay and obstruction at least until the autumn months. Concurrently, the damage being done by British bombers on German factories and German morale is counted on to offset the military advantages which Hitler may gain in driving the Soviet army back to the Ural Mountains. The feeling that the Russians may be defeated in battle and yet not conquered is growing here but the pessimists are already saying that Hitler on achieving his goal in the Ukraine will turn his attention again to an invasion of Britain, really launching telling blows before the end of 1941.

The other side of the story is that American aid is assisting

in patrolling the Atlantic and the drop in tonnage losses is felt to be directly traceable to the system used by our navy patrol and the prospect that any interference in Iceland waters will result in shooting of Nazi submarines by American warships and airplanes.

Incidentally, the cry from some quarters in Congress that the British forces must evacuate Iceland at once is much about nothing. The British are eager to get away.

One important influence in the North Atlantic area is the retention of a large American force in Iceland. The President's plea to Congress to let the one-year draftees stay on for the duration of the emergency is likely to be granted. When the military men say it is necessary, Congress is not inclined to substitute its own judgment—it would be a grave risk and a political responsibility which a majority of the members would not like to take.

The broad picture of world strategy seems to involve American aid in a more and more active sense in the next few months though there is still hesitancy about a "shooting war" unless the Nazis take the initiative.

July 18

On the economic front inside the United States, the situation is not satisfactory. The conflicts between OPM and OPACS are causing a loss of momentum. Price control is still in its incipient stages and nothing can be done till legislation is passed. Such legislation will face a long debate. As for curtailment of production by voluntary action, the auto industry is submitting to government pressure and pleas. Labor, on the other hand, is rebelling and is now insisting that the auto curtailment program be revised so that workers will not be thrown out of jobs till the defense plants are ready to absorb them. Unhappily there is no such synchronization and this means tens of thousands of workers will lose out until they

can be fitted into the new work. Unquestionably all the idle labor can be absorbed ultimately but the transition period may prove painful.

Just what will happen to the auto industry is not clear at this writing. The repercussions from the layoffs beginning the first week in August will have their effect here. There has been no real planning on this subject—merely an adventurous groping in the dark. And this treatment of a major industry is indicative of the general inefficiency in Washington in handling economic questions growing out of the war emergency.

July 24

Hitler's effort to stir Japan to action against the United States is his answer to what America is doing in the Atlantic to help Britain. Hitler can't get at the United States directly so he is hoping to incite Japan to take such steps as may immediately confuse America's strategy. Hitler knows that the Japanese may hesitate to go to the point of bringing on an actual war with the United States but that they can be depended upon to needle America by various moves of a threatening nature in the Far East.

The United States, on the other hand, has long been prepared for these hostile gestures and is not likely to be bluffed into bringing large units of the fleet back from the Atlantic or into interrupting the flow of supplies to Britain.

The Japanese would like to occupy Vladivostok and help to prevent any Lend-Lease assistance from the United States to Russia. But if the Japanese start hostilities in Siberia they may find the Russians stirring up and arming the Chinese in the north. As for the southern theater of operations in the vicinity of Singapore and Indo-China, the British and American forces are believed to have plenty of air power and sea

power mobilized to make the Japanese hesitate a long while before borrowing trouble.

The Japanese are in a difficult spot. Some would like to satisfy Hitler and some want to remain at peace with the United States and Britain. The heavy burden of the Chinese war has not been lifted and it would not sit well with the Japanese business interests to see Japan completely isolated in an economic blockade which could readily be imposed by the British and American Governments.

It is believed here that Japan does not possess a sufficient air force to handle the sort of developments which may arise if Japan takes the initiative and actually attacks. Her fleet by itself is not believed to be able to cope with the warships plus heavy bombers which America and Britain have stationed at Asiatic bases. The general impression in Washington, therefore, is that Japan will respond to Hitler's pressure as far as possible without involving herself too deeply.

Though nothing has been said about it in the public prints, it can well be inferred that the United States has not withdrawn her naval forces in any too great numbers from the Far East. It may be presumed that adequate naval strength of the United States and Britain will be encountered in the Pacific by the Japanese if they disturb the status quo.

It will be recalled that the United States is on record as having warned Japan not to upset the status quo in the Far East. A possible joint operation by British and American naval forces is to be looked for if the new Tokyo cabinet decides to take the risks and encroach on British or Russian or American interests. This is what Churchill doubtless meant a few weeks ago when he spoke of joint American and British operations. In the Far East, the United States has usually acted in concert with other powers from the days when the allied armies struck out at the Boxers in China in the early part of this century.

July 24

The President is conveying rather forcefully to Congress the urgent necessity for keeping the draft army intact and there is a tendency not to thwart any of the Administration's plans for defense, notwithstanding the fact that these are uncoordinated and unnecessarily disruptive of the national economy.

One of the things that is most disconcerting about the picture is the way proposals to curtail production are being disclosed. The President insists that there is no plan to throw workers out of jobs in the auto industry before the new defense plants that can absorb them are built. But the manufacturers aren't being given news of any such cushion and it is difficult to find anyone either in government or in industry who knows how these arbitrarily fixed quotas for curtailment of production are to be worked out in actual practice.

The defense machine dawdles along with plenty of crisscrosses and confusion but the general trend is toward larger and larger production. If Russia can hold out long enough, America's delays may not prove serious, but when Russia is eliminated as a factor of resistance, the blues will descend again and the drive for bigger production will be resumed with more chance of success. Washington bogs down when it appears Britain is getting the upper hand and starts vigorous action when Britain's fortunes change for the worse.

July 25

It is difficult to believe that the relations between the United States and Japan have come to the edge of the precipice—difficult because there is every reason for Japanese commercial interests to dissuade their government from becoming the tool of Hitler.

President Roosevelt's published remarks on the subject of

a possible embargo of oil and other products, coming as they did on the same day that Acting Secretary Sumner Welles of the Department of State denounced the Japanese movement in Indo-China as aggression, may mean that at last there is to be a definite application of an economic boycott to all Japanese commercial transactions with the United States.

The American Government has patiently assumed that Japan would not disturb the existing equilibrium in the Far East and has, therefore, according to Mr. Roosevelt, permitted American oil companies with oil supplies in the Far East to continue to supply Japan. This paradox has long been unexplained officially, but it has been understood that the United States hoped thus to avert a break with Japan and especially to prevent a movement of Japanese forces into the Netherlands East Indies.

But Japan, like Italy, is no longer a free agent. Having cast her lot with the Nazis, having given over control of her press and communications to the Nazis, the Tokyo Government must toe the mark when Herr Hitler cracks the whip. The extent of Nazi infiltration in Japan is well known here. In fact, for several months the Department of State has been reluctant to continue what has been called an appeasement policy because of a belief that the Nazis would sooner or later pull the strings and force the weak government at Tokyo to take aggressive steps. The recent change in the Cabinet at Tokyo is generally believed to have been dictated by Berlin.

But Japan is torn between two desires. Her commercial and economic future, if not her political strength, lies really in a maintenance of peaceful relations with the United States. Her business men and financiers know this, but the government is dominated by a military clique which has an unbounded admiration for the Nazi military machine and a blind confidence that it will soon rule the world.

There are many fine Japanese statesmen and leaders who have visited the United States in recent years and who have

worked hard for Japanese-American peace. There are many splendid Americans who have worked with these Japanese to keep the peace. But when the military in Tokyo brush aside all that has been done and start on the road to aggression, the liberal elements find themselves helpless.

There never was a time when the Chinese-Japanese situation could not have been settled with the conciliatory aid of the United States if the militarists in Tokyo had not succumbed to the gospel of conquest and selfish exploitation. The United States has never asked for an inch of territory or for a single special privilege in the Far East. Germany's record is quite the contrary. Even the British have been far more helpful to Japanese development in the last forty years than have the Germans. The United States, in fact, has been the best friend Japan has really had. Now the Japanese people are to be plunged into a period of serious friction, the end of which nobody can foresee. It may even lead to active war and a showdown of military might in the Pacific. But such a war will not mean America fighting alone. There will be a British Army and Navy and a reenforced Chinese Army in it too, and the war would not be over till militarism in Japan, as a menace to peace in the Far East, is crushed as completely as it will be in time in Central Europe.

The Japanese are playing with fire if they think America does not mean to apply economic boycotts and use her naval forces if necessary to protect the Philippines. So long as the American flag flies in the Philippines, the United States will not sit idly by and see naval concentrations and air bases occupied within easy striking distance of the American forces in Manila. The crisis in the Far East is a wholly unnecessary one. If there are any Japanese statesmen who are allowing the military and naval clique to make the recent moves only as gestures of help to Hitler, who is pressing for active war by Japan against Britain and America, there may be time to avert a break. If these elements, however, have lost their influ-

ence completely, then it is only a question of a few months before Japan will have involved herself not only in a war with Britain and America, but in a dilemma in world affairs from which she will not be able to recover for decades to come.* Japanese business commits economic suicide by permitting the war elements to get the upper hand. America will lose some trade, too, but it is insignificant proportionately to what Japan would lose. A Japanese-American break still seems illogical from all standpoints.

July 31

Despite the warnings against undue optimism, there is a certain amount of cheerfulness about the war outlook, from the standpoint of Britain, which is beginning to percolate through official quarters in Washington.

The optimism is derived from the way the Russians are messing up the Nazi time-table and supply system. Hitler has been organized for blitzkrieg but not for long war. Russia's resistance has emphasized the probability of a longer war than Hitler counted on.

The President has by no means slowed down in his efforts to help Britain win the war even though there is here and there in Washington a slower motion due to the feeling that there is a breathing spell at last. Mr. Roosevelt's authorization to Harry Hopkins to talk with Stalin indicates a plan to leave nothing unturned to give Russia whole-hearted assistance. It means that Japan must face greater and greater cooperation between Russia and the United States in the Siberian area. Mr. Roosevelt isn't being bluffed by the Japanese move south. He is hoping as are the British that Japan will soon see the error of her way. But hopes of appeasement are not interfering in the slightest with the steady and persistent evolution of

*War between Japan and the United States was formally declared on December 8, 1941.

a policy that means war with Japan or Germany if Tokyo or Berlin wishes it so. There has been no hesitancy due to fear but a firmness of step which cannot but impress both Berlin and Tokyo that the risks may be with them rather than with us.

Russia's entry into the war may prove in retrospect to have been the turning point in the conflict. Even though the Nazis enlarge their area of occupation and even if they get Moscow, they will have a prolonged struggle on their hands which will absorb enough men and consume enough materials to make the ultimate victory over Russia of questionable value.

August 1, 1941

What is becoming of major importance is not so much the course of events as reflected in the battle headlines but the impact of the defense program on our civilian economy. The President's message on price control and his sentiments about preventing inflation are merely formal manifestations of a policy that has been slowly evolving for several weeks. The moral effect of the document may be to keep the demands for higher wages from being as quickly met as heretofore. The Administration has permitted the rises in wages through the National Defense Mediation Board and now when price increases, in consequence of higher labor costs, are demanded, it is being urged that prices be fixed by law. Labor will discover that this means freezing wage levels for several months to come and that's why the debate on price control in Congress may be long drawn out.

Meanwhile unofficial efforts to control prices will continue and management will be kept constantly under the threat of drastic legislation.

As yet the Administration has really not been up against any serious difficulty in holding prices down—that is to say, if it cared to exercise its influence in holding wage costs down, it could hold prices down. Priority control is a very powerful

lever in controlling price. In the retail field alone does price regulation really become difficult if not wholly impractical. Some price increases will become inevitable but it may be that in the end the Administration will pat itself on the back for having prevented runaway price increases.

Despite the confusion and discord, there is a much greater amount of consultation between industry and government in Washington than there was several months ago and the New Deal officials are beginning to learn something about the problems of price control and production curtailment. The possibility that unemployment may result from haphazard cuts in production as in the auto industry is beginning to bring labor pressure into the picture. That's what accounts for the backing and filling on the subject of auto curtailment. It is probable that shortages of materials will automatically force a reduction in auto production, but the responsibility for developing stock piles of materials which lie unused while waiting for new defense plants to be built or for a broad plan to be made is so great that it is doubtful whether a hit-or-miss or horizontal cut in production can be imposed immediately on the industry. What doubtless will come is a gradual curtailment on a quarter-by-quarter basis.

August 7

There is no question but that Russian resistance has given America a breathing spell. But it will be short-lived. Developments in the Far East and possibly at Vichy involving Dakar and the African coast situation may be expected at any moment. President Roosevelt is in close touch with Prime Minister Churchill through Harry Hopkins and the impression here is that war moves are being discussed in a theoretical sense.

Thus if Japan makes a wrong move in the Far East and Britain and America are called upon to make good their warnings against the disturbance by Japan of the status quo, how

shall the situation be handled? By a naval demonstration on the part of the United States and Britain? By the presence of American warships in the waters surrounding Siam when the British seize bases? These are delicate points to be decided by our government which is slowly drifting into undeclared war.

So while the Russians are holding up the Nazi time-table, the tension and uneasiness over America's relationship to the war is not in any sense abated. In some respects the theater of war is widening. Latin America is becoming much more a center of activity than at any time since the war broke out. The black-listing of Nazi firms, the trouble in Bolivia and now in Ecuador where the Japanese have become involved all tend to accelerate the crisis which has been coming south of the Rio Grande. Seizure of Nazi merchant ships by Latin American governments has started and may extend to all countries before long. The pinch of economic warfare will be felt by the Axis powers as needed materials are bought up that otherwise would be exported to Portugal or Spain or Japan. The squeeze of the blockade against Germany is growing more effective every day.

On the national defense front, substantial progress is being made toward the main objective—a huge supply of war weapons by July 1942. The shortages in raw materials are not yet as serious as they will be six months hence in accordance as the war effort takes a greater and greater percentage of the ingredients of our civilian or normal economy. The confusion over priorities is still prevalent. President Roosevelt's request for price control legislation has introduced more factors of uncertainty in the business world. Congress is reluctant to pass a price control bill. The issue is loaded with political dynamite—freezing of wages and farm prices. Mr. Roosevelt is not likely to press the point until he gets the legislation he has requested on the extension of the draft. He may then try to get authority to use the troops outside the Western Hemisphere or, failing

that, to protect and defend the Philippines. A debate may soon be heard on whether the American flag should be hauled down and the islands turned over to the Japs.

Manila has become an important airplane base and so have the other American islands in the Pacific. The advent of the airplane of long-range cruising and bombing capacity interjects new elements into the situation. It used to be said that the Philippines couldn't be defended by land or sea forces of the United States because enough troops and ships for the purpose couldn't be spared to take care of that problem. But with the airplane as an offensive weapon against sea power, expert opinion in Washington has changed. The presence of big American bombers in the Philippines is today a very important factor in the debates being carried on in Tokyo as to how far to carry the gesture of support for Hitler. The Japanese are expected to learn this very week that they are risking war if they extend their aggression southward or if they interfere with American shipments to Russia via Vladivostok and other Siberian ports.

August 12

The new tax bill will come out of the Senate in three or four weeks and then work will begin—in fact it has already started—on a new tax bill which will not only raise rates but will seek to make some administrative changes to tighten loopholes and reduce present exemptions. The big worry of the moment is not what is to be done to pay the high taxes—for undoubtedly business volume is bound to multiply to unheard-of heights—but whether this Administration will ever let the tax rates come down once the war is over. There will be a temptation to go on with a major social or relief program so as to cushion the effects of a post-war depression. A concentrated all-out effort to win the war by November 1942 would probably save private capitalism in America.

August 13

Out in the Atlantic somewhere there's a conference going on with Roosevelt and Churchill in intimate touch on the war problems of the moment—this may be deduced from the dispatches, and were it not for the necessity of safeguarding time and place due to hazards of wartime, the press would have details by now. It will all come out in due time.

What does it mean? Mostly Far Eastern problems. The United States will stand with Britain there and resist if necessary any hostile move. Japan has been told by her own minister to the United States that we will not take the initiative but will match step by step whatever Tokyo does. That's as close to telling a government that we will fight as we have come during the period since September, 1939.

Of course, it's a grave situation. It could not be any more momentous, and the British and American fleets in the Pacific will have to work together if the occasion arises. Collaboration of that kind requires conference ahead of time. Maybe the shooting point will never come. Anyway, the Japanese know we are ready for any contingency. Theoretically, we must defend the Philippines. Actually, we are trying to prevent a situation from arising which will give the Axis more opportunities for "encircling" in Asia.

Then, too, there's the Atlantic problem. We now have an effective air patrol. Must we go further and put bases in Northern Ireland and Scotland? If we do, under what conditions shall this be undertaken? One can well imagine the host of delicate problems that can better be handled in the intimacy and privacy of a conference on a warship at sea than by radio or cable or by second-hand conferences through special envoys.

The effect of the Churchill-Roosevelt meeting on the rest of the world is important, too. When Hitler and Mussolini met, it got wide-spread attention on the continent. It is important now that the American-British collaboration be emphasized

among the conquered peoples as well as in Germany. This is part of the propaganda warfare of the times.

Positions can be more confidently asserted now that Russia is in the war. For no matter whether the Nazis get the Ukraine, their problems are by no means over. The Russians have so many men and so much material that Hitler will be kept busy for months to come and perhaps long enough for the British to organize a counter offensive in western Europe. Important plans of a military nature are in the making.

All this means, from an economic viewpoint, the prospect of at least another year of war—more priorities, labor displacement, inflationary difficulties, higher taxes and universal shaking up of the factors that spell normal business.

Almost any economic hardship can be borne if it isn't prolonged. What is absent now is any assurance that government controls will be relaxed when the emergency is over and it is strange that not a word of reassurance has come on this point from the Administration. It will be an important point to watch.

The domestic front is disturbed by strikes and threats of strikes. Labor, having outwitted Congress by persuading the members not to pass any anti-strike legislation this summer, now is demanding more and more "closed shops." The U. S. Steel Corporation, which has gone along with the C.I.O. on recognition and wage increases, now balks. Its subsidiary—Federal Shipbuilding and Drydock—has faced the closed-shop issue in clear-cut fashion. This means a new leadership in the steel industry and a more united front on labor questions. Will the government force closed shops?

The National Defense Mediation Board has dealt clumsily with the question. It could have refused to let such a question come up for settlement in these troublous times, but instead, it moved head on and gave the closed shop its blessing first on the West Coast and now in the East. If this policy isn't halted, there's more, rather than less, labor trouble in store for America.

The myth that Communists would stop fomenting labor trouble, now that Russia is in the war, has evaporated. There are plenty of other forces working for discord, and this past fortnight has shown we are in for a wave of strikes unless the Administration lays down some principles for the Defense Mediation Board to follow.

August 14

The biggest political gamble of a decade was taken by members of the House of Representatives in their vote on the extension of the term of military service for the drafted troops.

The Democratic party by a vote of 182 to 65 voted to extend the term of service by eighteen months, while the Republican party voted 133 to 21 against the measure. Which will prove to have been the better vote when the November, 1942, congressional elections are held?

While politics was rarely mentioned in the debate, it was in the background of the House voting. For, obviously, threats from constituents that they would take reprisals at the polls were clearly present either by letters from back home or through the pressure of the organizations which lobbied for or against the proposal.

Broadly speaking, the Republican vote may prove to have been the more dangerous, especially if the nation is at war or if the present emergency continues beyond November, 1942. Clearly, the Democratic party will seek the support of independents in the electorate on the ground that the Republican party is an obstructionist party and cannot be counted on to defend the nation even when the leading military experts of the government call for action to preserve the safety of the republic.

But if the war emergency has passed, the Republican stump speakers will expect the reaction of the country to be one of

indifference to the congressional voting on such questions as draft extension. Other issues relating to reconstruction or the return of power to the people may be more influential in the voters' minds.

So if one believes that the war will be over by November, 1942, the Republicans will have taken little risk. If it isn't over, the Republican party may face an annihilating defeat at the polls. There will be sections of the country such as the Middle West where isolationist sentiment is strong and some Republicans will benefit by that attitude, but in the main, with the nation all out for the defense program and possibly for war, in November, 1942, the Democrats will naturally seek to make a clean sweep for their party on the ground that divided counsels and obstruction are dangerous to the successful prosecution of the then existing program.

The Republican party has consistently voted against the President's foreign policy ever since the outbreak of the war in September, 1939. At a time when partisanship is supposed to be eliminated, the Republicans voted almost as solidly on foreign policy as on domestic questions. Though claiming to be in favor of national defense to the uttermost, the Republicans have failed to uphold the War Department in this vehement plea for draft extension and have endeavored to override the wishes of the military authorities.

There were some Democrats, too, who voted against the Administration, but they represent a minority of the party; whereas the Republican party threw the bulk of its strength—more than eighty per cent—against the War Department's recommendations.

It will be contended, and plausibly, too, that without the twenty-one Republican votes cast in favor of draft extension, the measure would have been lost so that a certain amount of credit is due the twenty-one Republicans. But when it comes to an appraisal of what the party as a whole did, the 133 votes against the measure out of a total of 154 Republicans voting

will be used to bolster the charge that the party could not be trusted with full power in both houses and that a Republican vote in the congressional elections may be a vote for chaos.

The Republicans would try through their spokesmen and leaders to claim they would support the government in its national defense, but the Democrats will point to the record not only on the draft extension but on arms embargo repeal and on the Lend-Lease Bill in the House to prove that the Republicans have lined up as partisans rather than on broad grounds of national policy.

One of the gambling aspects of the vote was related to the expectation of a House defeat of the eighteen-month extension and a subsequent rewriting of the measure in conference between the two houses. Had the House voted down the eighteen-month proposal and had it adopted a six-month or a twelve-month extension or some other amendment, many opponents of draft extension would have had an opportunity to record themselves in favor of the milder measure. Then if the conference report had accepted the Senate version, namely the eighteen-month extension, the rewritten measure would have been adopted in the House either by a voice vote or by a record vote. This would have been defended on the customary grounds that it was all or none and that those who favored some extension had no opportunity to vote on any change in the conference report.

This sort of thing had been talked about in the Capitol corridors and may account for the large record vote cast against the eighteen-month proposal, which many members really thought would be defeated and then restored in the conference committee. The Administration, however, took no chances and rallied its forces to win. Had greater pressure been exerted by the Administration, the majority for the bill would have been larger.

But since the Administration leaders saw the political aspects and desired to avoid embarrassments to members hailing from

isolationist sections of the country, the final vote was closer than it otherwise would have been. The close vote does not by any means reflect the sentiment of the House on any concrete issue relating to the emergency but merely reflects the domestic politics of the draft and a bet that in November 1942 the war will be over or that the issue will have been superseded by others far more vital in the voters' minds.

August 15

President Roosevelt and Prime Minister Churchill have made a ten-strike with the all-important instrument of moral force which has been sadly neglected from the beginning of the war.

Raising the aims of war and the goals of a permanent peace above the level of brute force and back again to the realm of reason and human brotherhood, the heads of the two great democracies have proclaimed eight points that will win the universal approbation of mankind.

The significance of these peace aims is, among other things, that the German people are being notified they do not face dismemberment and annihilation if they eliminate the Hitler government and make peace with their opponents. This pledge before the whole world must inevitably penetrate German morale just as reiteration of the fourteen points of President Wilson's program hastened the end of the last war. It will be noted that in the new peace aims there are stronger assurances of world association to maintain peace than were given in the League of Nations covenant.

Universal disarmament has been abandoned as an immediate aim and there doubtless will be a strong military, naval and aerial force under joint international control to maintain the peace of the world once Hitlerism is crushed.

But while the eight peace aims are a magnificent statement of democracy's purpose and will be printed far and wide, they

do not in themselves reveal all that happened at the meeting between the President and the British Prime Minister. It was a master stroke of planning to have the meeting under such dramatic circumstances, for it furnished a background of unprecedented publicity throughout the world and probably was the best possible propaganda to drive across boundary lines into the countries occupied or controlled by the Nazis.

It certainly did not require the presence of high-ranking army, navy and air force officers of both the United States and Britain to write the statement of peace aims. Sumner Welles, Under-Secretary of State, wrote virtually the same thing in his recent memorable address at the Norwegian legation. If the eight points were all that were discussed, there need not have been anybody else but State Department representatives present.

The other matters under discussion at the historic Roosevelt-Churchill conference cannot be divulged now. They doubtless relate to military precautions to be taken in the event that Japan moves to disturb the status quo in the Netherlands East Indies or the Far East or in case the Vichy government under Admiral Darlan undertakes to make any move in Dakar or along the Eastern Atlantic shores which the United States might consider hostile to Pan-American security and especially the Monroe Doctrine.

Since blitzkriegs happen overnight and without a chance for congressional debate, President Roosevelt as Commander-in-Chief of the Army and Navy, acting fully under his constitutional obligation to protect the republic against any contingency of a military nature that might arise, doubtless developed detailed plans of cooperation and perhaps joint operations, in both the Atlantic and the Pacific. These plans, which might involve shooting war, are presumably in theoretical stage and are purely defensive now but they must be studied in order that America should not be caught off guard.

Anybody with the slightest knowledge of naval strategy knows that two navies cannot be ordered overnight to work

together without some previous consultations. From now on the two navies presumably will be in closer touch than before and will place themselves in readiness for joint defense of the Atlantic and the Pacific.

Does this mean war? Only if Berlin and Tokyo choose to take the initiative. It is hoped here that the President can steer the country through the crisis without any shooting war. The announcement of the eight peace aims shows even now that the American Government is ready to assist the British in making peace. But the Hitler plea for peace which is expected to follow his occupation of a considerable area of Russian territory will fall on deaf ears. The Berlin Propaganda Ministry expresses wonderment that the Churchill-Roosevelt meeting took place at the time of Nazi announcements of military successes in Russia. The answer is that such successes were expected just as Hitler's plea for peace is expected once he gets the upper hand in Russia.

But it will avail Hitler nothing to plead for peace now. There will be no peace except when Hitler is eliminated and the German people and the other peoples under the Nazi yoke are permitted freely to express their wishes. The eight peace aims constitute the answer of the President and Mr. Churchill to any future peace offensives and they re-dedicate the United States and Britain to achieve the goals of freedom mentioned in that momentous declaration. The world is told that this is not a war for imperialism or for territorial aggrandizement on the part of Britain but a war for human freedom which the President and the Prime Minister now proclaim to all the world as the war that must be won before the eight ideals can be consummated.

August 21

Externally we are not so close to a shooting war but the reason this is being emphasized by high quarters is to offset

the continuously expressed but mistaken argument of the isolationists that the Administration deliberately wants war and is trying to bring about a shooting war. Politically, the Administration would prefer to avoid shooting war.

Actually the situation is explosive, especially in the Far East, where anything might happen to provoke a conflict. The same is not true in the Atlantic, for Hitler is carefully avoiding any submarine or air attacks on American vessels. What he may do after he gets Russia in hand is something else again. For the summer and autumn, at least, a shooting war is not likely to arise.

The Roosevelt-Churchill conference results are still secret. It didn't require military and naval staffs of the high commands of both countries to write the "Eight Points." Unquestionably questions of strategy in all contingencies that might arise were discussed on a hypothetical basis. If Hitler moves into West Africa by way of Spain and Portugal, what joint operations would the American and British navies and air forces undertake? This question was doubtless answered and a plan agreed upon to be used if the emergency required it.

So far as Russia is concerned, aid via Siberia may provoke Japanese action. Here, too, it was necessary for joint British and American naval and aerial operations of a defensive nature to be discussed on an imaginary basis.

The diplomacy of the hour, on the other hand, is exerted at London and Washington and Tokyo to keep Japan from intensifying an already grave situation. It is to the interest of the United States and Britain to keep Japan from moving any further than she has already in either the north or south, and it is to the American interest to avoid a shooting war in West Africa if this can possibly be done—at least until July, 1942, when America's industrial production and military preparations will be at a peak.

The President and the British Prime Minister have told the world that they consider Russia a good bet and that immediate

aid will be sent. This might have been said even if the facts did not justify it. The strategy would have been just the same in either case. There seems no doubt that Russia is disrupting the German time-table, but there seems no doubt also that Germany is winning the fight and will gradually acquire larger and larger parts of the Russian terrain. The real question is not how much Germany can acquire, but how much she can hold and how much of her resources will have to be exhausted in maintaining her eastern front in the next twelve months.

The steady flow of bombers from the United States via South America and West Africa to the Near East, which just has been announced, means that the democracies are ready openly to encourage the conquered peoples in the Balkans to sporadic resistance. This is a move to cause the Nazis to withdraw forces from the Russian front or run the risk of serious consequences on a new front in the Balkans. It would seem that Crete may some day be recaptured and a start made northward as soon as the British air forces have been fully reinforced. America's airplane supply is gradually helping toward that end.

On the home front some changes may be looked for. The defections in the Middle West on the draft extension bill are causing concern. The confusion and discord in the defense set-up are beginning to crop out so that the President knows he has a serious problem there. The Defense Mediation Board's partisan decisions on the closed-shop issue have taken the heart out of industry and produced a bad morale situation which it will take more than fireside chats to cure.

What seems incredible is that industry is so silent about the whole matter. One reads of Sidney Hillman and Chairman Davis of the Mediation Board seeing the President but one never reads about any industrialists visiting the White House to express their concern over the way the emergency is being exploited by labor groups. Strikes are not decreasing. Congress is away on a vacation. When both houses return, the labor

situation will come in for further discussion. The home front is not clearing up but getting more and more confused even as the defense program needs more and more unity.

August 22

Two powerful nations, friendly throughout decades of time, now drift toward the edge of war and in neither country—Japan or the United States—is there any concerted attempt at the present moment to bring the forces of reason to bear to avoid bloodshed.

If wars are to be stopped by the patient and persuasive process of reason, aided by an alert public opinion as outlined in one of the Eight Points agreed upon by President Roosevelt and Prime Minister Churchill, then in the present crisis between Japan and the United States a strange apathy and indifference may be observed. This is partly because of censorship which has been imposed inside Japan and partly lack of information made public by our own government upon the argument being made in official conversations that have been going on at Tokyo and Washington.

What do the Japanese people, however, know today about true American purposes? What do the American people know of the actual division that exists in Japan between those who think a tie-up with Hitler is fatal and those who think the only opportunity for Japanese economic expansion lies in a Hitler victory in Europe?

The key to the trouble, of course, is the Japanese-Chinese conflict. The United States is not opposed to Japanese commercial expansion, in fact under certain circumstances would join in the economic development of China along with the Japanese.

Those Japanese who think they can get economic outlets on the Asiatic continent only by brute force are mistaken. There is another and less dangerous way but it requires an

agreement to cease fighting or military coercion and through the mediation of the United States to establish an armistice in China until economic arrangements can supersede military, territorial, or political ambitions. It requires also that Japan make the choice between being an ally of Hitler and Mussolini and an ally of the United States and Britain. Japan has made her greatest strides when operating closely with America and Britain in the Far East.

But what would be required of the United States and Great Britain? They would have to agree jointly first of all for the immediate future that all military supplies sent via Siberia to European Russia would be strictly confined to that purpose and not diverted for use against Japanese interests in northern China. The opening up of military activity in the Siberian area has aroused suspicion in Japan and gives its military clique an excuse for closer collaboration with Hitler and perhaps even seizure of strategic points on the Pacific coast of Asiatic Russia.

Basically the United States and Britain are being slowly drawn by one incident after the other into the orbit of inevitable war with Japan because the Japanese-Chinese war remains unsettled. To persuade Japan to abandon her alliance with Hitler and remain neutral in European affairs requires first of all that there be a peace formula as between China and Japan. The United States and Britain are the only nations that can end that conflict on a basis satisfactory to Japan and China. The war has been a tremendous burden on the Japanese people and it has prevented the development of the Chinese markets which are big enough for joint international action by new capital.

There have been regrettable pin pricks contributed by both Japan and the United States. Recent holding of one hundred Americans by refusal of Japanese authorities to let them sail for home has created a profound impression here. More important, however, than the holding up of the sailing of these people is getting an answer to the question, why Americans

should feel obliged on the advice of their own government to leave Japan. Part of the answer is that the Tokyo government has allowed itself to be influenced too much by Nazi agents who have established a virtual fifth column in Tokyo with only one object—to force Japan into war with the United States. The Nazis plainly have a selfish object which the Japanese have not yet perceived.

The best way to settle the incident of the one hundred Americans is for a new start to be made in Japanese-American relations so that no Americans need leave Japan and no Japanese need leave the United States. It can be done if Tokyo will take a long look into the future and cast her fortunes with the United States rather than with Hitler. For there will always be a Pacific Ocean and there will always be a powerful American Navy and there will always be a British Empire fleet. The place for the Japanese is the same as it was in the first World War. Japanese interests did not suffer at the end of that war and they would not suffer at the end of the present war at the hands of the victorious democracies.

Japanese statesmanship can avert war and at the first sign of readiness to make the choice, the American government will be found cooperative to the utmost in extending the British-American-Dutch partnership to include the peaceful partnership of China and Japan. There is still a chance for reason.

August 27

Some day the historians will come across a headline, "American Gold Saves Britain in 1941," and they will find it necessary in the interest of truthfulness to cross that out and write "British Gold Saves America."

This sounds like a paradox but the other day the country was amazed to read of testimony by two West Coast aircraft manufacturers before the Senate committee investigating de-

fense to the effect that these manufacturers had actually lost money thus far on the aviation contracts placed with them by Uncle Sam. In getting at the reasons for this, it was discovered that America's aircraft production in which President Roosevelt expressed pride the other day in his controversy with Senator Byrd would never have been as far along as it is except for British cash invested in American plants and in American orders.

Certainly if America today has the beginnings of a substantial supply of aircraft and if in July 1942 we reach a desired goal, it is because Britain with her money made it possible within that time limit.

Back in 1939 when the war clouds were rising abroad the army and navy were asking for increased appropriations from Congress for aircraft. Shortly before that the Congress rejected a navy recommendation for fortification of Guam. In December 1939, even after the European war had begun, the War Department asked for money for several hundred airplanes for replacement. This would have given the American aircraft companies business to keep them going and expanding. But Congress was indifferent and in April 1940, when the American plants were moving into production and fulfilling orders for huge production with money supplied by the French Government, the House of Representatives authorized money for only fifty-seven planes and the Senate moved it up by just nine more to the enormous total of sixty-six planes.

Later in the year Congress came along with more orders, but the American aircraft industry would have collapsed if it had waited for its own government. Instead it was receiving funds for expansion from the British and the French. When in the summer of 1940 France surrendered, the British Government promptly took over all the French contracts and guaranteed to pay for their fulfillment.

It is on the basis of these funds furnished by the British and earlier by the French that the American aircraft program

today has gotten as far as it has. Experts estimate that except for the advance of millions of dollars by the British in 1940, the productive capacity of the aircraft industry would not be much more than half of what it is this year.

The same thing to a large extent is true in ordnance, machine tools and other defense materials vitally needed by the British. The public presumably has the impression that the \$7,000,000,000 of Lend-Lease funds are giving America and Britain their present aircraft program. This legislation, however, was not passed until early in 1941 and many of the aircraft companies are still working on British orders. The Lend-Lease money is just beginning to come into the aircraft picture.

Uncle Sam as a consequence of British funds is getting his aircraft at lower prices because the plant development and productive capacity which make possible quantity production arose out of orders placed by the British and French governments with funds advanced generously against future delivery.

The cooperation of American officials in making the British and French program possible has been very important. No man in America deserves more credit than Secretary Morgenthau of the Treasury Department who, at the risk of criticism, cut red tape and steadfastly helped the British and French to get their production going. Since the Lend-Lease policy was adopted, Mr. Morgenthau has performed another service deeply appreciated by the aircraft industry. He has stood watch over the British funds deposited here so that these would not be committed in other directions in the haste of war operations. He has insisted that sufficient of the British securities put up as collateral in America be segregated to take care of the regular payments to American aircraft manufacturers.

In this way has a great industry been put on its feet, capable in another year or two of producing more aircraft than any combination of countries in the whole world. Educational orders for new types of planes would have been very helpful in 1938 and 1939 if Uncle Sam had provided them for the industry but

the Administration did not persuade Congress to appropriate the funds. Hence the record must show that the British and French in 1939, and the British alone in 1940, supplied what has been estimated as perhaps as much as \$500,000,000 to build up American defense industries. And if aircraft win the war, it will be this half billion of British funds thrown into the breach at the psychological moment which has given Britain her chance for daylight bombing this year and which has given America her first major protection by aircraft in her whole history.

August 28

Results of the Roosevelt-Churchill conference are apparent in the day-by-day developments telling of new collaboration, new decisions and new plans for mobilization of the resources of the two democracies.

One result not particularly emphasized in the press is that the President made no commitment for a shooting war. Churchill may have hoped for it but he didn't bring it home and to some extent the British public is disappointed.

But Mr. Roosevelt promised almost everything else. Active aid to Russia via Siberia and the Persian Gulf, active aid in getting planes across Africa to the Near East and more and more vigilance on the Atlantic patrols, to say nothing of co-operative measures that will make China a much more valuable ally in checkmating Japan than she has been heretofore.

While the Russians are losing ground, their powers of continued resistance are giving the whole picture a more hopeful outlook all the time. The belief that a winter campaign will be fought on Russian territory, costing the Nazis hundreds of thousands of casualties, is giving impetus to the idea that the decisive months of the war may come next spring when British air and sea power may be so big as to warrant the opening of new fronts.

Japan is believed to have receded a bit from her bellicose mood and there are some reasons for the belief now that the Far Eastern crisis may be averted.

August 29

The situation on the domestic front grows worse instead of better. The President is getting more and more tangled in his own cumbersome machinery for defense. He is particularly handicapped in handling the labor problem. He has relied on extreme partisans of labor and they have put him in one embarrassing spot after the other.

The first mistake came when, after the outlaw strike was pulled at the North American Aviation Company plant on the West Coast, the National Defense Mediation Board despite the fact that the strikers defied their own leaders turned around and rewarded the strikers with a union maintenance contract.

Now the whole aircraft industry is upset by it and stabilization attempts are introducing demoralizing factors that were never there before. When the same Mediation Board issued an edict that the union maintenance contract had to be given to the strikers at the Kearny, N. J., plant they put the President on the spot again. For he felt he could not go back on his own Board and at the same time if he seized the property and let the Navy Department operate it, this could mean "closed shops" on government property everywhere.

Now the masters of the flying trapeze in politics and law are trying to find a way to set up some sort of dummy corporation which can give the union the maintenance of membership contract it wants and yet seem to absolve the government from appearing to countenance it. The effect will not be so innocuous. Unions know now that the Administration will back them up on the closed-shop issue and they will make the most of it. By endeavoring to carry water on both shoulders, the Admin-

istration has now gotten itself into a tight hole from which it will not easily escape.

Already there is talk of strikes to get the union security clause in new contracts. And this is the entering wedge to the complete closed shop. When a big company like the U. S. Steel Corporation sacrifices a \$35,000,000 property and the chance to get profits out of \$493,000,000 of contracts, it certainly means that one group of American citizens seems to care more for the principles of free enterprise than it does for immediate gain.

To have a big property like that seized on a simple issue that need not have arisen at all and which the Mediation Board could have refused to allow to be considered at all is to stir up American industrial executives and, incidentally, a considerable part of official Washington, which privately admits a blunder of magnitude has been made.

The President is trying to wiggle out of this dilemma and his solution may be to grant a union maintenance contract in this case to a dummy corporation but to announce also a plan to freeze existing closed shops for the duration of the emergency. If that is done, the sacrifice at Kearny perhaps will not have been in vain.

August 30

Relations between Japan and the United States have turned for the better. Where there is still negotiation in a friendly mood, there is always a chance for a real solution.

What the United States is asking for, however, is that there be a permanent change, that the die be cast this time for all time and that America and Japan join together as great naval powers to prevent the disturbance of peace in the Pacific.

Japan has before her, however, the tri-partite agreement whereby she agreed to attack the nations which would align against Italy and Germany. That agreement was entered into

before Hitler attacked Russia and the military contingencies that face Japan are totally different now from what they were before that event.

Japan, for instance, sees the United States sending aid via Siberia. Japan also sees the United States Navy ready to protect the southern routes whereby aid to Russia and Britain can be consigned to ports in the Persian Gulf.

If Japan, therefore, plays Hitler's game, she will start trouble and use her navy to prevent those shipments of munitions from reaching Russia or Britain. Japan cannot be on both sides of the fence. She must choose Hitler or friendship with America.

The conversations between Admiral Nomura, the Japanese Ambassador here, and President Roosevelt are exploring the implications of that choice.

Japan naturally wants to know what the future holds in store for her if she goes along with the United States. America before answering wants to know, on the other hand, that Japan has definitely cast her lot with the United States.

The belief prevails here that an agreement in principle has been reached, namely that the section of the tri-partite agreement which in effect committed Japan to be hostile to the United States will be allowed to die. That obligation which Japan was to decide for herself when to fulfill, if at all, will be emasculated in practise though not in so many words.

Once Japan decides to play ball with America what can the United States do for Japan? There are many things, principally economic, and there are some also in the field of Far Eastern policy.

The most important service the United States can perform for Japan is to mediate the Japanese-Chinese war and bring it to an end if possible. The Japanese have declared they do not wish to impair China's sovereignty or independence but merely wish commercial and economic outlets for their production. The United States and Britain alone have the financial resources to develop Chinese economic resources. If peace can be

achieved, the markets in the Far East will be increased for Japan.

Similarly, the United States has never exercised any dominion over Latin-American trade except in time of war. If Japan is ranged alongside of the United States there is no reason why Japanese trade with Latin America should not be resumed with the friendly aid of the United States. Certainly if this country is to assist Japan in getting access to trade outlets in Latin America on the principle of the open door in commerce, the same principle can be adhered to by the Japanese in cooperating with the United States and Britain in getting access to Chinese markets.

There is the basis for a peace in the Far East with the United States, Britain, and possibly the Dutch Government, guaranteeing the status quo. Japan can quickly recover her trade with the United States and get unlimited oil supplies and a restored market for her silk if she will only decide to adopt a friendly attitude toward the United States and definitely take steps to eradicate from Tokyo the Nazi elements which have been stimulating the military and other elements in Japan to provoke friction with the United States. Progress is being made toward a momentous settlement of all outstanding issues. Both sides are encouraged by what has been achieved thus far. The truth is the diplomats of both governments have gotten down to brass tacks and in the intimacy of diplomatic conversations have established for each other the respect that is necessary in order to find a genuine formula for continued peace.

September 4, 1941

Reshuffling of defense agencies seems to be the Administration's method of meeting periodic criticism. Unfortunately the device has been used so often that it does not result in an increased confidence in the efficiency of the program.

The belief is growing here that America's defense pro-

gram may succeed in the long run in spite of the Administration's incompetence and clumsiness. This is because basically the army and navy have had some experience in specifying what they want and telling the manufacturers about it, and while there is much to be desired in the way of clearing up red tape and getting action at both the War and Navy Departments, still substantial progress is made because neither of these departments is as yet dominated by New Deal experimenters and politicians.

The place where the defense program is bogging down is in the planning for a long war. The New Dealers are far more concerned about giving labor unions certain permanent advantages than they are about utilizing the productive facilities of the nation at the earliest possible time. The bland way the Kearny, N. J., seizure is regarded as justified is an example of how much more important it is to the New Deal to retain the political favor and support of the major labor unions than it is to assure the nation against work stoppages.

Now that the Kearny case has occasioned nationwide criticism it would be supposed that the Administration would hesitate to grant an outright concession of union maintenance, but that's what is in the cards. The lawyers of the New Deal are busy looking up some subterfuge as a method of granting the concession, and as soon as it becomes known how it was accomplished, the demand for similar concessions will grow in other shipyards. Already the aircraft industry on the West Coast is bedeviled by the union-maintenance issue, which for some strange reason has not yet roused Congress.

Neither the army nor navy officers are happy about the labor situation but they feel themselves helpless. They frankly concede that labor matters are the province of Sidney Hillman of the OPM and they keep hands off, giving him a free hand. The spectacle of a paid union executive formulating national labor policy and yet being without real power or influence himself in directing the C. I. O. or the A. F. of L. is not one that is

readily understood by the British Laborites who sent pointed messages to American labor over the Labor Day week end about the lag in defense production.

The outlook on the labor front may be altered somewhat when the majority of members of Congress return this month. Also, Senator Byrd will resume his revelations on the relatively small production of weapons.

While a huge supply of war weapons has been ordered and the production thus far is already of some help to the British, the net result is not what America's powerful industrial machine could have accomplished had there been mutual trust between the Administration and the business world and had there been someone in charge at Washington who could have persuaded the country that drastic curtailment of certain supplies had to be undertaken.

September 10

The Russian news is regarded as optimistic for a long-range view. Irrespective of immediate Nazi gains in territory, the Russians are believed capable of harassing the Germans and of keeping both their aircraft and their main armies on guard against fresh counter-offensives. The enormous Russian manpower constitutes a potentiality for military mischief which it is now admitted that the Nazis did not look for.

Meanwhile, the policy of the President in respect to shipments via Vladivostok remains firm. Even though the Japanese may declare some sort of safety zone and prohibit shipments through the straits near Japan, this will in turn only result in the mobilization in Alaska of huge supplies of Russian and American bombing craft, and it is quite possible that a naval patrol to guard shipping in the Pacific may be established somewhat similar to that in the Atlantic. It may be that Russian fliers will man the planes that drop the depth bombs while American aircraft do the patrolling.

It can still be said that the United States is not going to enter active shooting unless either Tokyo or Berlin forces the issue by taking the initiative.

September 11

The turning point in American foreign policy is here. Measures "short of war" have been the rule thus far. Now there's another stage coming. It involves a public declaration that the warships and merchant ships of the United States will resist attack. While on the surface this does not add anything to an existent situation, it is nevertheless an important step forward to be willing to announce that a nation will shoot back when attacked.

The series of sinkings of American ships recently by Nazi subs is the basis for the announcement of America's policy. It is suspected that the United States Navy has had orders for some time to resist attack. It isn't necessary to ask Congress for authority. Under the Constitution the Commander-in-Chief of the Army and Navy can use the armed forces "to repel attack."

What constitutes an "attack"? Recently an American destroyer was attacked by a Nazi submarine. American ships have been attacked by the Nazi airplanes as well as submarines. In the face of that record, a declaration of American policy becomes inevitable.

But such a pronouncement is as much an effort to avoid shooting war as it is a plain warning that shooting war will not be withheld by America on a peace-at-any-price basis. The Nazis today know that the American Navy will shoot back and it may be that Hitler has decided to risk war by ordering his submarines and airplanes to frustrate at any cost the shipment of American supplies to Britain or her allies. Hitler is a gambler and this month may be one of his most desperate periods. He is hitting a snag in Russia and needs Japan's help very badly. But Japan thus far has refused to pull his chestnuts

out of the fire. If then Hitler has decided the time has come to involve the United States in a shooting war in the Atlantic in order to convince Japan that she will not risk much by interfering with American shipments to Siberia, he will not hesitate to take that step. But what Hitler may be surprised to learn is that he will face a united America when shooting begins. He will also be surprised to learn that the American Navy will not play a defensive game but an offensive game and that if America enters the war there will be something happening besides anti-submarine warfare.

The betting here is still against shooting war. The theory is that Hitler has taken a big chance in drawing Russia into the war and that his people will be alarmed by the entry of America into the war. In fact all the information from American officials who have lived in Germany is that the German people dread United States entry into the war more than any other single contingency.

Hitler's plan heretofore has been to take on one nation at a time. He would rather wait until he has disposed of Russia or at least till he can concentrate his air attack on Britain once more. But Hitler is faced with a dangerous situation in the Atlantic. The United States is gradually moving in with a more and more alert air patrol and the sinkings of British ships are diminishing. So the Nazis must do something and their hope evidently is that a few scattered attacks on American ships will cause American public opinion to react unfavorably and that the isolationists will get the upper hand and frustrate the President's policy.

Sentiment on Capitol Hill, however, has changed almost overnight. News of the sinkings has led many a Congressman to say that the American people will not have their ships fired on and that defense of the freedom of the seas will once again command substantial support in both houses.

The President has been proceeding on the assumption that he will have the backing of Congress even on a shooting war

if the record is clear that Hitler means to violate American rights on the seas.

So while the President and the Congress are ready, it is not so clear that Hitler is ready. Irrespective of Hitler's time-table, however, the American move is to announce that shooting will begin wherever a Nazi submarine or airplane appears in the vicinity of American ships or bases. Hitler may swallow that affront and bide his time. But the whole world will soon know that the policy of the United States is to defend the freedom of the seas at any cost. And that is strangely parallel to the steps we took in 1915 and 1916 and 1917 to hold Germany to "strict accountability" for damage done to American ships and for putting American lives in jeopardy on the high seas.

September 18

Whether we will or will not get into the war is a matter of terminology in some respects but actually in a legal and in a fighting sense, there will be no entry of the United States into general hostilities unless Congress authorizes such a step in a formal declaration of war or formal recognition of a state of war.

Everything that has happened to date is still in the short-of-war stage both from a legal and a military angle. The present stage—armed neutrality—was abandoned by President Wilson after a short trial. It lasted from February 26, 1917, to April 2, 1917—just about thirty-three days. But Mr. Wilson chose to regard the repeated attacks by the German submarines as a declaration of hostilities on Germany's part. Mr. Roosevelt will not do this because he apparently believes military considerations do not now require such a step. Almost everything that could be done under an actual declaration of war with the exception of the sending of an expeditionary force can be done under armed neutrality.

Since Herr Hitler is represented as being averse to a declara-

tion of war on the United States for fear of hurting the morale of his own people at this time, and since Mr. Roosevelt sees no advantage in a formal declaration that must run the gamut of congressional debate and filibuster, the legalized declaration of war may be said to be still somewhat in the distance. Such a course squares technically with the campaign pledge not to send American troops to fight on foreign soil and if this pledge is to be abandoned it may be taken for granted Mr. Roosevelt will ask Congress to share with him the responsibility of such a reversal. The President's opposition, of course, considers the recent orders given the navy to shoot submarines at sight as an act of war but so was the passage of the Lend-Lease Bill which Congress adopted by an overwhelming vote. Aid by a neutral government in war munitions and money is an act of belligerency but Hitler has chosen to disregard it for the time being.

There doubtless will be casualties under the armed neutrality program, perhaps the loss of a destroyer or two and even a battleship. Submarines, like airplanes, get a lucky bull's-eye once in awhile. If American public opinion is aroused to the point of insisting on a declaration of war when such casualties occur, the whole picture may change. But such a change is not looked for. After all, in the Spanish civil war, the major powers of Europe saw their shipping sunk and destroyers damaged and yet it was not considered a basis for a formal declaration of war. A somewhat similar period of undefined belligerency may be expected to ensue.

Informed opinion here still assumes that Russia will in due time be considerably weakened and that the Nazi armies will gain a major victory but there is still also the belief that Hitler will have as hard a time trying to liquidate Russia as Japan has had in trying to liquidate China. Important ports or cities may be taken but the capacity for resistance by defenders remains and the invaders are compelled to keep a vast army mobilized and supply lines protected.

September 19

The domestic front shows little sign of improvement. The labor situation is no better; in fact, matters have become worse as the demand for the closed shop supersedes all other considerations. The National Defense Mediation Board is again on the spot and this time it is dealing with the most able of the labor strategists—John Lewis—who has demonstrated that he can run rings around anybody in the Administration or in any of its boards or tribunals. So in due time capitulation to the Lewis demands may be expected. The President has avoided a showdown with Lewis, preferring to have his own henchmen bore from within and get control of the A. F. of L. and C.I.O. This policy is being checkmated by the activities of the Communist groups who constitute a very substantial minority that plays one side against the other and really exercises the balance of power in union affairs. Lewis has the support of these Communist elements.

The reshuffling of defense agencies has brought little change. It is still a New Deal set-up, interested in reform rather than anything else.

September 25

Inflation—slowly but surely—is the inevitable consequence of government policy today. The political motif is still too strong to have economic considerations weigh heavily. There is plenty of talk about the need for curbing runaway prices and inflationary trends but the necessary courage to tackle the problem on the wage and farm front is lacking.

One important qualification needs to be made to the above statement. Everything will change—and change suddenly—if we get into the war actively and casualty lists begin to stream in. Present psychology of indifference to the need for universal sacrifice will alter on that basis at once.

For the moment, however, the same old story which has prevented the New Deal's theories on economic planning from ever getting started is to be heard. The New Dealers are afraid of the farm and labor vote. These two groups are responsible for the New Deal's second and third term. Leon Henderson and the other leaders in the Administration know perfectly well you can't put a ceiling on prices without putting a ceiling on wages and other costs but they do not dare to face the political situation.

Hence the effort to camouflage by means of "voluntary" wage agreements. This is put forth as a sop to the opponents of wage controls, and as a bit of political expediency. But it should not be taken seriously. The success of the Administration in trying to get strikes eliminated without any compulsions or restriction of law is evidence of how effective the "voluntary" idea is when applied to the labor side.

Some kind of price-control bill may get through Congress but it will be amended considerably and probably will be "voluntary" all around before it is passed. Some leverage, however, against price raising by concerted action may be expected, thus giving the Department of Justice more leverage than heretofore.

Broadly speaking, the Administration is not so much considered about price rises as about their height. The New Dealers would be satisfied with a "mild" inflation. The danger, of course, is that once the spiral starts it is hard to hold the movement within the proper classification of gentle, mild or severe increases. It is like a juggernaut which creates its own momentum.

The two things that make an inflationary trend inevitable are the high debt of the government with its rapidly accelerating pace of increase, and the way labor costs are soaring. Wage levels are being created that will be hard to revise if a depression comes after the war.

The long-run answer may well be such a permanent devaluation of the purchasing power of the dollar as to bring the dollar, in terms of real wages, closer and closer to the devalued gold dollar. This is an evolution which may well take four to five years to consummate and in the meantime the persons with fixed wages and salaries, including federal, state and municipal employees, school teachers, etc., will be hard put to make both ends meet.

If the trend gets far enough advanced by November, 1942, it may swing a congressional election against the party in power. Certainly by 1944 it will be a definite factor irrespective of whether the war has been over very long. For whatever is due on prices this year will determine the whole course of America's economy in the next four to five years.

Public opinion logically would be expected to exert itself for the type of legislation suggested by B. M. Baruch, which looks at the problem from an economic rather than a political point of view, but it is difficult to make the people understand economic issues when the factors are in the incipient stages.

The "joker" in the New Deal is that it is depending on vast amounts of taxes to pay for its past, present and future spendings. But taxes can come only out of a system of profits. And if prices are held down while costs rise, there will be in many instances no profits left to tax, and thus the whole fiscal picture becomes impossible. The day of reckoning, however, is still in the distance.

October 2, 1941

Confusion is increasing instead of diminishing. . . . The price control policy is up in the air. . . . Allocations of materials are gradually to take the place of priority ratings. . . . Strikes increase. . . . A 6 per cent earning on capital and a 100 per cent taxation above that figure is proposed at a time

when business hasn't even digested the latest tax bill. . . . Russia needs guns and planes desperately which means diversion of production intended for Britain. . . .

This is the picture that makes industry dizzy. And yet production is increasing. The naval and aerial patrol on the Atlantic is effective since sinkings have been cut down by two-thirds in the last three months. Russia is still an uncertainty but the real enigma is Hitler. Will he stand on his gains and turn his over-worked air force back to Britain and attempt an invasion?

The British are more confident than ever that, while the war will be a long one, the victory will be theirs. So much for the broad international outlook.

At home the situation is not by any means bright. The gradual encroachment of government upon industry continues and the economic system is being subjected to all sorts of strain which only an artificial pumping in of billions of dollars in contracts can possibly absorb.

The spending thus far has been negligible. Something different will be apparent when the rest of the program gets into the final order stage. There are bound to be short intervals of depression caused by conversion of facilities and the hodge-podge nature of the allocation of orders. But this will be succeeded by a financial expansion bigger than ever has been dreamed of. To spend from twenty to thirty billion dollars in 1942 is to stimulate the turnover of goods and services in the American economy to such unbelievable velocity as to make 1941 seem like 1933 in comparison to 1940. The boom is still in its vague and intangible stages so far as industry is concerned and this accounts for the blues which occasionally sweep the business world. But month by month the ratio of war business to peace business will rise perceptibly.

This is not saying America will be on a sound economic basis. Far from it. Rather will it spell plenty of worry as to what may happen after the war. If it be assumed that the war

is going to be over in November, 1942—and many people think so—then the sudden expansion is going to be followed by some contraction, though perhaps not as abrupt as is generally believed. The policy of the Administration is to build an “arsenal for democracy” now. After the war it will build a “reserve” arsenal to help maintain the peace by being ready to furnish to weaker nations instantly an unlimited quantity of munitions. Never again will the United States be caught unprepared—this is the new philosophy to prevent an after-the-war stoppage of orders.

If, on the other hand, the war is going to continue beyond 1942 into 1943 and perhaps 1944, there need be little worry about contraction of the war orders. While, of course, there is a limit to certain materials, the tendency will be to mobilize facilities for the production of substitutes. Germany in seven years prepared herself marvelously for the blitzkrieg. America with greater resources can do it in half the time.

Certainly it seems unlikely that the aircraft industry will ever shrink to prewar proportions and the same may be said of shipbuilding and steel-making. For the Administration has in the back of its mind the furnishing of materials for the reconstruction of Europe and this means a heavy export from America. The expansion of ten million tons of steel capacity is a long-range measure and will take government financing. That this increased capacity may be useful in 1943 and 1944 is the confident belief of its sponsors here. Steel men are still skeptical but they do not realize the extent of the plans of the New Deal group to keep on spending money long after peace comes.

How will the bill ever be paid? Taxes will doubtless be continued at the 1941 levels for at least another five years. It will take a change of political complexion in the Senate and House to interrupt the spending and taxing program and this seems unlikely to happen before 1944 if indeed the world situation is cleared up by that time.

October 9

Information as to the probable course or length of the war is such a vital point nowadays in shaping business policy that every scrap of reliable information bearing on it is deserving of careful analysis.

Without doubt the most important single piece of information came last week in Hitler's own uncensored speech. While much had been suspected or presumed before, not until the Fuehrer himself admitted certain points can it be said that these were really corroborated. Thus it has long been supposed that the size of the Nazi air force has been purposely exaggerated by the Germans ever since the outbreak of the war. It was important to do so as a propaganda weapon in the other countries, including England.

Today we know from Hitler's own mouth that he does not have sufficient air force to conduct war on two fronts. We know more than that, namely that he can make only sporadic attacks in the west because he needs every bit of air power he can command for the Eastern Front. This tends to establish the point that, with American production, Hitler faces a serious threat to his alleged superiority in the air and that this war can be brought to an end by a combination of air and sea power on the part of the British, and ultimately an attack at strategic fronts with land power. The start which Hitler had in air power is being overcome steadily and by the middle of 1942 the Nazis will be substantially behind in number and quality of airplanes as compared with their enemies.

The next point in the Hitler address which is revealing relates to his statement that he did not know the extent of the Russian preparations. This is discounted because it is incredible that the German intelligence system did not know what Stalin was doing. The probability is that Hitler meant to say, if he had dared to be frank, that the Russians had better fighting stamina and staying powers than the German

general staff believed. But it would have been indiscreet to make such an admission. It was easier to charge that Stalin prepared in secret and that, when the amount of preparedness was discovered, an added reason was furnished for the Hitler attack.

But the world knows now that Stalin not only has an immense amount of material but that he also has a great fighting army and that he has coldly calculated his defense strategy. This leads to the inference that Hitler has ahead of him at least another year of trouble in Russia.

Hitler disclosed significantly also his appraisal of American aid. He is contemptuous of it. He said America talks of capital and billions of contracts but the real point is labor. He has regimented labor. America is still dilly-dallying with the strike problem. He is betting on our inability to handle the labor issue. Hitler is counting heavily, too, on his ability to keep an invasion off continental shores because of lack of transport. He says transportation is the key to the outcome of the war.

Sinkings are diminishing and Hitler runs the risk of bigger and bigger counter-offensives against his submarines and raiders. But he is depending on his air force to destroy shipping near the British coast and to make impossible any mass invasions. The answer given in military circles here is that once British sea power and air power are superior to the Nazi air power and defensive preparations on the European coast and once America gets into her stride on cargo ship production, enough shipping can eventually be diverted for troop landings.

Summed up: Hitler's speech indicates a war of at least one year and possibly two from his standpoint and it indicates the same from the British standpoint if the Nazis are to be defeated, for American production will reach peak at the end of 1942. The break in German morale, if it comes at all, may come when the British really have a superior air force and can clear the French coast as well as their own of hostile craft. For the morale of the occupied areas is beginning to

mean trouble for Hitler. He will require a constantly increasing vigilance and army dispersal to keep what he has conquered.

The Hitler speech was not defeatist by any means but it was an admission of obstacles such as he never before conceded even by inference.

October 16

Russia can hardly be eliminated as a major factor in the war no matter what happens to Moscow. Our governmental officials are supremely confident—evidently based on their knowledge of Russian reserve supplies—that the capacity of the Russians to keep the Nazis busy for some time is considerable.

Defense of Moscow may be prolonged but, even if evacuated, the battle line will be maintained. Factories and plants east of the Ural Mountains are believed to be adequate for a sustained resistance. There certainly is not the slightest suspicion here of a Russian surrender or a separate peace.

American supplies are already en route to Russia in substantial amounts—not everything the Russians want but the things they say they need acutely. American cooperation at the moment is on the most generous basis and the Russians express appreciation.

But the blue stage is arriving again. The breathing spell which came with the Hitler attack on Russia on June 22nd is about over. At the time it was stated that things would seem easier at this end for awhile and that there might be a tendency to relax but that when Russia was severely punished by the Nazi drive there would be a revival of anxiety.

The Russians have made huge sacrifices and the indications are that the Nazis have lost very heavily—perhaps the costliest warfare of all times in numbers killed or taken prisoner.

Just how American supplies are being sent to Russia is a

secret but it is not altogether by way of the Pacific Ocean. It would appear that the sending of cargoes through certain routes across the Atlantic is feasible now that the American naval and aerial patrol has become effective.

Arming of merchant ships is not as important as the isolationists would make it appear though naturally from their standpoint they will debate and even filibuster for awhile. The purpose of the legislation is to put Congress on record once more in what the President terms America's defense program. It is a means of putting into statutory form the shoot-at-sight policy announced recently by the President for our naval ships and airplane patrol. Clearly if a warship flying the American flag has orders to shoot Nazi submarines or airplanes on sight, the same right would logically seem to be in order for merchant ships. The latter are carrying government cargoes and as much entitled to protection from a legal basis as the warships which might be convoying them.

The opposition to the policy, however, is not based on any denial of the foregoing argument but solely on the contention that this action will be provocative of war with Germany. On that ground, of course, every piece of legislation since embargo repeal has been debated and the Administration answers merely that it does not have any intention of provoking war but merely of resisting attacks on peaceful American ships which under international law are entitled to search and seizure and the placing of lives of crew and passengers in safety if torpedoed by submarines or bombed by planes.

The enactment of the armed merchant ship legislation may be confidently expected. It will be overwhelmingly voted for in both houses but the debate in the Senate is looked forward to by the isolationists as another opportunity to make their rebuttal to the whole trend of the Administration's foreign policy.

Domestic issues look more and more tangled. The Administration is allowing the labor situation to drift without using

a firm hand. The chances are that there will be serious interruptions to the defense program and worse conditions before anything decisive is attempted by the Administration. For the moment all the labor trouble is viewed by Administration officials as merely so much evolutionary growing pains arising from the rapid pace of reemployment and industrial expansion.

Subsidies for industries put out of business by priorities and subsidies for subcontracting are in the cards. The idea of saving the taxpayers' money has been superseded by a policy of placating the cities and towns which howl the loudest. Politics has been an influential consideration for some time in the handling of new plant sites and in the making of contracts. It is beginning to be more important than ever before.

October 17

Maybe it's the business of governments to conceal pessimism when things go badly and maybe our government is in possession of information which causes it to look at the Russian situation differently from what might be surmised by a reading of the press dispatches. But the fact is, officials here are rather confident that the big Nazi advance isn't going to eliminate Russia as a major contender in this war.

First of all, the word comes that the Russian Government has no intention of evacuating Moscow and that the defense of the city will be as staunch as has been the operation in and around Leningrad which several weeks ago was declared to be in peril.

The gravity of the whole situation is not being in any sense minimized in official quarters but the popular impression that a critical battle is being fought which, if successful for the Nazis, will mean the elimination of Russia is not borne out by the attitude of those who are best informed in government quarters.

It is known that the Russians have prepared defenses east

of Moscow and that they have arranged for considerable production behind the Urals. Inasmuch as Russian man power is as large if not larger than that of Germany, the probabilities are that a steady flow of troops will be maintained into whatever line the Russians finally establish as their defense.

The significant thing is that the Russians consider the present a life or death struggle and that there isn't any mention of separate peace as even a remote contingency. That's one reason why the United States Government is preparing to redouble its energies and to send whatever materials are available to the Russians, knowing full well that much of it will not arrive for three or four weeks.

The cooperation between the Russian and American governments is very intimate. Whatever the Russians have asked for that America can supply in a hurry has been delivered or is en route. The prospect is that the Russians will maintain a battle front for months to come and some of the Russians are insisting that, while the Nazis may get close to Moscow, they will not take the city.

Just how the bulk of the American shipments are going is not being revealed but it would not be surprising if, with the effective American naval and aerial patrol, the exportation of products to Russia across the Atlantic is being successfully accomplished.

Herr Hitler was right when he said the key to the outcome of this war is transport. He must have meant by sea as well as by land. Up to now the Nazis have felt confident that they could blockade American shipments by means of intensive air and submarine attack. The American policy of shooting at sight has helped the dispatch of shipments across the Atlantic so that sinkings have been cut down materially. Transportation by land is Germany's problem, however, as much as it is Russia's. As the Royal Air Force gets more and more help from American airplane factories, the chances of de-

stroying German depots and railroad systems will be increased. It would not be surprising if Germany had a difficult time maintaining her supply lines into occupied Russia before the turn of the year.

As long as the Russians know that the British air forces are going to harass the Germans in the west, and perhaps later will be able to launch new air attacks from Arctic ports in Russia, there will be encouragement to the morale of the defenders.

What the average observer has been led to believe by the German press reports is that the capture of a few Russian cities will eliminate Russia from the war. Actually the occupation of large areas will not affect the continued determination of the Russians to maintain a battle front and they know now that Britain and America will furnish needed supplies in unlimited amounts provided transportation routes can be developed. There is every indication that the Trans-Siberian Railroad will be improved with the aid of American materials and that the Persian Gulf entry into southeastern Europe will be used as well as Arctic seaports.

The important point to be remembered is that the American Government has not altered its policy in the slightest on account of the Nazi military successes but is bending its efforts toward greater and greater aid to the Russian people.

Important also to be remembered is that German losses have been colossal and that if the Russian bear isn't eliminated—as presently will be apparent to the German people—discouragement over the prolongation of the war may become a contributing factor to the ultimate breakdown in morale. In 1942 when counter-offensives and bigger air attacks on Germany may be expected, the presence of a large Nazi army of occupation subject to all sorts of guerrilla attacks from the rear in Russia may be a handicap that will rob Hitler of the fruits of his present-day successes.

October 18

Another crisis with Japan has developed. For several months it has been Japanese policy to impress upon the United States that Tokyo must have concessions in the Far East and that America must not stand in the way of Japan's "New Order" for Asia. The United States has steadfastly refused to be stampeded by these tactics and has maintained throughout an attitude of dignity rather than of blustering.

This past week—as Russia's fortunes have seemed to drop in the face of Nazi military successes—Japan has revived her belligerent tone and manner. But it is inaccurate, really, to use the term Japan to describe the attitude of the government at Tokyo. A more accurate description would be to say the Japanese military elements which seem at times to control the government have taken the microphone in hand and broadcast ominous warnings to America.

The latest outgiving by a Japanese naval spokesman to the effect that the Japanese Navy was just itching to go at America can be crossed off as merely matching a statement made a few days ago by Senator Norris, veteran member from Nebraska, that he believed the American Navy could now lick the Japanese Navy and that maybe this was the time to do it.

Such bellicose comments can do real damage in a delicate situation, but when they are merely part of the maneuvers of the so-called war of nerves whereby each side tries to impress the other with the gravity of the situation, the detached observer can eliminate them as real factors.

The United States does not want war with Japan and the Japanese really do not want war with America. What is important for Tokyo to realize—and it's really understood there despite the various comments that are heard to the contrary—is that the United States will go to war to protect its lifelines in the Pacific. One of those touches the Philippines and

the other touches the Dutch East Indies, where rubber—vital to American industry—is grown and shipped to us.

The moment Japan makes a step to occupy the East Indies, the British will resist and the chances are ten to one that the American Navy will cooperate in the defense of our overseas commerce.

Any war in the Far East will mean the release of a mighty bombing force from Manila, which is not far from Tokyo. It will also mean the sending of direct shipments to Chinese ports and the beginning of a substantial effort to aid China in her resistance to Japan.

What is more, war between Japan and the United States would mean that Germany could be of little help to the Japanese. Why then should sensible Japanese play Hitler's game and allow their government to be made a tool of Berlin? The answer is that sensible Japanese do not agree with the Berlin-Tokyo-Rome Axis treaty, and wish it never had been made a part of Japan's policy.

Japan has come a great distance since the days when Commodore Perry entered her ports and began the era of world trade. But Japan has had in all her major wars the active financial or naval support of either Britain or the United States. Without American money, Japan would not have defeated Russia in the early part of the present century. Without the aid of the British fleet, Japan would have been wiped out as a world power had the Tokyo government cast its lot in 1914 on the side of Berlin.

The Japanese people and the American people do not hate each other. They have always been friendly. Today, however, Tokyo is not an independent government with a free hand. The Japanese Government is what the military men make it. They have a power of veto and it is the military elements in Japan which have prevented the liberal elements in Tokyo from working out a compromise policy that would appeal to the United States.

Collapse of the negotiations is due to the fact that the United States Government has been unable to get the necessary assurances that Tokyo would refrain from giving aid to Hitler. That is the acid test for the United States. Whoever is on Hitler's side cannot be on America's side. Most of the Japanese officials know this and many of them have been prepared to let the Axis treaty become a dead letter. But Nazi influence in Tokyo is considerable and every time the Nazis make some military advance they exert pressure on the Japanese Government to do something to embarrass America. The Nazis have everything to gain and nothing to lose by such tactics.

It is important, however, for the American people to understand and be sympathetic with the plight of those Japanese in high office who sincerely want to keep Japan out of any war with the United States. Germany has never been as good a friend to Japan in Far Eastern matters as has Britain or America. From a truly selfish Japanese viewpoint the trend requires that America, Britain and Japan remain on the same side. For, if American-British naval power is forced by Hitler to enter into hostilities with Japan, the fate of the Japanese Navy in due time may be somewhat similar to the Italian Navy and the clock would be turned back several decades in Japan. This is expressed not by way of implying any lack of bravery or ability on the part of the Japanese, but the resources of the Japanese islands cannot support a long war and it would be the biggest tragedy of modern times if America and Japan were plunged into hostilities with each other. Because such a contingency seems incredible, the crisis may be expected to blow over again this month as it has in the past.

October 20

Two major Powers—Japan and the United States—are supposed to be on the verge of war. And yet the peoples

of both countries are almost completely in the dark as to what has gone on these last three months behind the scenes in the conversations between diplomatic representatives of the two governments, presumably seeking a formula for peace.

The main excuse for secrecy is that a third power might muddy the waters. Doubtless Nazi masters of intrigue on the one hand, or overzealous and suspicious Chinese on the other, could make it difficult for negotiations to be conducted in the open, but this does not erase the fact that if war between America and Japan comes it will be exactly what these third Powers want.

It is incredible that with all the accusations of war-making heaped upon dictatorial governments and all the virtue claimed by democratic governments because their processes of coming to a decision are free and hence subject to the correctives of an alert public opinion, the Japanese-American dispute has been permitted to grow to the danger point without the slightest effort to inform public opinion in either country.

If war does come it will have to be accompanied by the most general of statements to the effect that Japan is hostile to our interests and that America is hostile to Japanese interests. Whatever constructive efforts might have been made to work out a peaceful relationship between the two countries would then in retrospect be subject to no correction or revision because it would be too late.

It is not necessary to disclose the details of the conversations, but only the main outlines. Did the United States make any proposal to resume trade with Japan and what were the conditions? Did Japan agree to withdraw from French Indo-China as a gesture of good faith and on what conditions? Did the United States agree to help bring the Japanese-China war to an end and on what conditions? Did the Japanese agree to drop their treaty with the Axis and on what conditions?

These are questions suggested by the trend of events. They

are perplexing points and it is a risky thing to entrust their solution altogether to secret diplomacy in either country.

Today in Japan, due to the control over the press exercised by the Nazi propagandists, much has been made of the fact that America is actually giving money and supplies to China. When a nation has been engaged for years in a struggle with a neighbor, and a third party comes along and furnishes military and financial aid, it doesn't make that third party seem to be without hostile purpose. That's the Japanese viewpoint. To this the American counters—when the whole world is engaged in a struggle of unprecedented proportions and Japan ranges herself alongside the aggressors, Germany and Italy, it doesn't make Japan seem friendly to the United States or to the maintenance of world peace in the future.

The misunderstandings are many and they require the genius of statesmanship plus an informed public opinion to help bring a settlement.

The new Japanese Cabinet's policy is a source of apprehension in Washington. The new Foreign Minister—Shigenori Togo, who has been selected to aid Premier Tojo—was Ambassador in Berlin in 1938. He married a German. But his stay in Berlin was not a happy one, because he was trying to persuade Hitler to withdraw the German military men who were then advising Chiang Kai-shek in China. His pressure became so obnoxious that through the alleged influence of Military Attaché Oshima, a recall was sent and Togo went to Russia. Today Oshima is Ambassador at Berlin and Togo is his superior at Tokyo.

The Japanese military element thinks the time is ripe for action against Russia and to interpose the Japanese fleet against American shipments to Siberia. These elements have as their strongest talking point the charge that America is abetting China and has every intention of striking at the Japanese fleet. Accordingly loose expressions from American Mem-

bers of Congress with swashbuckling claims that the United States fleet could wipe up the Japanese fleet in short order only make it easier for the bellicose elements in Japan to urge war if only on a basis of national pride.

There is no reason in logic, in history or in tradition which should make Japan and the United States enemies. As a great naval power, Japan should be drawn to America so that the naval armament race in the Pacific can be ended. But to achieve such a result it will be necessary for the United States openly to demonstrate her friendship to Japan, and for Tokyo to reciprocate.

Such a move might be made on the initiative of the United States through the issuance of an invitation to Japan to send a mission of three English-speaking statesmen to confer at Washington with a mission of three Americans familiar with Far Eastern affairs to see if a basis for a new relationship could be developed. Later on, if the conference were making progress, America might invite a mission of three Chinese statesmen and a mission of three British representatives with the idea of making a new four-power treaty to supersede all other pacts on Far Eastern relations.

Diplomats in the regular course must preserve certain amenities and formalities. Missions or special envoys from each country charged with a single task by each government would be more informal and better able to establish sincerity of purpose on both sides. It's a step short of war and unless something like it is done, the record may show that a major war was bred in secrecy and that the public opinion of neither country had an opportunity to interpose a word of caution or a hand of restraint.*

* This whole article, together with the one which precedes it, was widely published in our press at the time they were written, namely during the third week of October 1941. The author learned subsequently that extracts had been cabled to the Tokyo press by the Japanese news agency representatives in New York but whether they were published in Japan is not known to the writer.

October 22

Casualties of war—the first blood in an encounter between the navies of the United States and Germany—have been duly recorded.

Historically this has happened before without a declaration of war. It happened quite often during the time when the Spanish civil war was going on and the major Powers lost naval ships in and around Spanish waters.

Undeclared war is a novelty of this generation, but it usually is the prelude to declared war. Few wars in American history have been begun on the initiative of the United States. Some hostile act, some attack on American lives or property has usually preceded what amounts to a ratification of a state of war by Congress.

If attacks such as the destroyer "Kearny" met become numerous, the Executive may ask Congress to recognize that a state of war exists. That's what President Wilson said in April, 1917. The various attacks by German submarines on the ships flying the American flag constituted, then, in the opinion of the Executive, a state of war.

Naturally there will be considerable pressure to persuade President Roosevelt to defer any such request and rightly so because if America is to declare that a state of war exists it must be only after a virtually unanimous opinion concedes that such is the case.

The problem is a relatively simple one on that basis. It isn't going to be a question of urging Mr. Roosevelt not to ask Congress to declare war, but merely a question of whether a series of attacks by the Nazi submarines and airplanes should be accepted as a state of war. This puts the isolationists in the most difficult position they have been in since the outbreak of the European war in September, 1939.

They have contended that each successive step such as the repeal of the embargo and the passage of the Lend-Lease Bill

would involve the United States in war. Yet the steps which may be said to lead closest to war are those which the Congress was not asked to vote upon, namely, the transfer of over-age destroyers to Britain in exchange for outlying bases in the Atlantic and the dispatch of an American naval and military force to share in the occupation of Iceland with the British.

The attack on the destroyer "Kearny" came about as a result of the orders to the American Navy by the President to patrol the North Atlantic and to shoot at sight any ships which interfered with our sea-borne commerce. This is the defense policy of the United States at the moment. The military and naval strategists of the government advised the President that occupation of Iceland was a military necessity, a proper defense policy. The politicians might argue differently, but the Executive, charged with responsibility under the Constitution for assuring the defense of the United States, is bound to accept the advice of his military and naval experts.

Now, however, the situation is somewhat further advanced. The defense policy is an established fact. Will the United States now retreat and haul down its flag on the Atlantic or in the Iceland base because Hitler decides that he will use naval force to dislodge the naval forces of the United States? That's a different challenge from any flung thus far in the war period. It is tantamount to asking whether the United States Navy, having been ordered in the interest of national defense to take up certain positions, will now be ordered to run away and go back to continental United States because Congress wills it so.

October 23

The broad policy to aid Russia to the limit and to show a firmness to Japan means more and more conversion of peacetime facilities to defense production. The belief is beginning to grow that Japan will not try to provoke the United

States into war, but will on her own initiative in due time attack Russia in Siberia. This will make for America a complication far more embarrassing than any issue we have had with Japan.

The Tokyo government may decide, for instance, not to challenge our freedom of the seas principle, but if Russian ports on the Pacific fall into Japan's hands it would amount to the same result as a sea blockade. There seems little doubt that Hitler would like to see Japan cut off the back door to the Russian front. This would, of course, mean Chinese operation in the north, provided the British or the United States or both can furnish the munitions and supplies.

The possibilities of involvement in the Far East depend, however, on the progress of the campaign on the European front and on whether the other avenues of communication, such as through the Persian Gulf, are kept open.

In the Atlantic the issue of war and peace grows more hazy every day. If one could dismiss definitions and look at the realities, it would be clear that shooting war of a certain limited kind exists already in the Atlantic. This is undeclared war. It will not become declared war unless the Nazis multiply the number of incidents and interfere with American commerce to Iceland and Britain to such an extent that the President will feel justified in asking Congress to recognize formally that a "state of war" already exists.

The only importance of such a step would be psychological, with some possible increases in the matter of legal power to invoke restrictions on aliens and in the handling of defense problems. For all practical purposes the army and navy already have very extensive powers and huge appropriations now.

If by "war" is meant the kind of situation that existed in 1917 and 1918, then it is not accurate to speak of the present as in that category.

A huge expeditionary force is not going to be possible until the seas are absolutely cleared and Britain and America achieve

absolute supremacy in air power as well as sea power. When that time comes and the airplane can damage interior Germany and occupied territories at will, then plenty of man power will be available from the occupied countries.

So the "war" as we shall know it doubtless will resemble the situation that existed in the Spanish civil war, when every major power had a hand in it and when every now and then a destroyer was attacked or merchant ships sunk but still no declaration of war ensued. Undeclared war and aid to Britain would seem to be the best way to describe our present policy.

October 27

Is there a will to peace between the United States and Japan? The belligerently phrased speech by Secretary Knox, however well-intentioned, will cause a series of belligerent speeches to flow from Tokyo. This is not the way to avoid a two-ocean war, but a way to provoke it.

Maybe the head of the Navy Department was merely seeking to stimulate the ordnance manufacturers to greater and greater efforts by awakening them to impending dangers, so he told them that America and Japan might any day, on twenty-four hours' notice, come into "collision" with each other. But whatever the motive, the Japanese are not likely to read such an important message from a member of the President's Cabinet without coming to the conclusion that the United States does not really wish to see diplomatic conversations continued.

When the new Cabinet came into power in Tokyo, it was not clear what Japan's intentions might be, but everything that has emanated since then indicates plainly that the Japanese Government wants to keep on at least discussing a basis for peace. Whether the routing of American ships to Russia via the Atlantic was or was not intended as a means of re-

moving Japanese suspicion about shipments via Vladivostok and Siberia, it so happens that the American action has made a favorable impression in Tokyo. The truth is the shipments are going via the Atlantic because it is quicker and the United States cannot very well give up the right to send shipments by way of any ocean or route. Yet the diversion of such shipping makes it easier to convince Tokyo that the United States is not making any offensive moves that are directed toward Japan.

To remove the present situation from its atmosphere of mutual suspicion is a delicate but vital task. What is needed is a new approach. Unquestionably Secretary Hull and Admiral Nomura, the Japanese Ambassador, have discussed every angle of the problem until the subject matter has grown stale. Likewise at Tokyo Ambassador Grew has canvassed the ground thoroughly. But the history of diplomacy reveals all too often, when the documents eventually are published, that there might have been a successful result if some basic principle could have been applied in the first instance. Also, it sometimes happens that the channel of communications used isn't always the most effective.

Thus it is telling no secrets to say that Admiral Nomura doesn't speak English very well and has difficulty understanding it, yet many of the most important conversations he has carried on with our government have been without an interpreter in order to preserve informality.

It is also telling no secrets to say that Ambassador Grew in Tokyo—able man that he is—has difficulty with his hearing, and that on one occasion at least the Tokyo Government felt that one of its important points was not conveyed to Washington.

What ought to be done, of course, is to send a mission of three English-speaking Japanese statesmen, preferably those representing the Japanese military party, to Washington with

Ambassador Grew as their escort so that a round-table conference with President Roosevelt and Secretary Hull might be held there.

It might be asked what such a conference could accomplish that has not already been covered. The first and most important principle to establish is whether the Japanese Emperor is willing to supersede the Rome-Tokyo-Berlin treaty with a new agreement in which the United States and Japan shall lay the basis for permanent peace in the Pacific.

The next important principle to determine is the extent to which Japan, China and the United States can agree on an economic partnership for the development of Far Eastern resources and communications. American capital can bring a new order in the Far East which will make secondary and less important the question of how sovereignty shall be distributed.

Everything else can be approached on a realistic basis of examining the present in the light of what means and method can be found to guarantee the peace of the future, but until the foregoing two principles are analyzed and accepted by Japan and the United States, details can hardly be reached.

It is suspected that much of the diplomatic conversation between Tokyo and Washington has become involved in technical and legalistic detail without building the foundations on the broad ground of what will really make for peace in the Orient.

The idea of bringing to America a special mission of three Japanese statesmen who speak and understand English is not a new one. There can be found plenty of objections to any course. But if there is really a will to peace, the mission method provides a formula for new discussions and for a realistic examination of the facts. Once Japan joins with America in the task of defeating Hitler and such an objective is sincerely undertaken, there will be found no cause for friction and

no remote necessity for considering war. The Knox speech * is analogous to the bellicose speeches of Japanese spokesmen recently. They do not reflect the basic desire of both the Japanese and American peoples for peace. And if America and Japan have anything to say to each other it can better be said by two missions which are striving for peace than through any other vehicle of formal or informal expression at the command of either government.

October 30

One cannot be too sure that any legislation whatsoever is coming to restrict defense strikes. The President would like to hold such a club over recalcitrant labor leaders but he doubtless knows he cannot get the legislation unless he makes a strenuous fight, for organized labor is too well entrenched on Capitol Hill to let any restrictive measures go through.

* Text of official press release by Navy Department:

Secretary of the Navy Frank Knox today (Oct. 24) warned that "the situation in the Far East is extremely strained."

He made his observations to naval officers and civilian executives assembled in his office to receive awards from the Bureau of Ordnance for excellence in carrying forward their schedules for the production of materials for the two-ocean fleet.

The Secretary, speaking extemporaneously, observed that "Japan shows no intention of abandoning her policy of expansion" and logically pointed out that should a clash occur the vital port of Vladivostok on the Pacific would cease to be operative as a place of entry for war materials for beleaguered Russia.

To the intent and serious group who faced him, Mr. Knox wasted no time in preambles and said that he had just left an unfinished conference at which was discussed the urgent requests of both Great Britain and Russia for additional supplies. He pointed to the difficulties of supplying Russia because of the dearth of ports and the hazards of those still open, and declared:

"Keeping the Russian Army fighting is one of the most pressing and important things of this war."

He cited, for example, the difficulty of using Archangel, Russia's Arctic port, for delivering war supplies, explaining that cargo ships were subject to bombing because of the difficulty of slow navigation through ice fields. Moreover, he added, port facilities were inadequate, necessitating in some instances the unloading of ships on the ice.

The Secretary revealed these details in throwing forth to American industry a challenge for speed and more speed in the production of materials essential to the successful prosecution of the war. "I only tell you this," he said, "because of the necessity of driving home to everyone the seriousness of the situation."

The Republicans are ready to go along with almost any restriction that the President proposes but want him, of course, to take the initiative. They do not wish to assume in the public eye any anti-labor responsibility. Much the same thing is true of the Democrats, especially in the House which is extremely sensitive to labor union lobbies.

Again and again this matter of labor legislation to even up the Wagner Act or to curtail strikes on the defense program has come up and each time the President has been outmaneuvered. There are plenty of bills which could have been passed long ago if he had said the word. Today with John Lewis calling the President's bluff almost every week through some sort of C.I.O. strike, the crisis has reached the point where the country knows more about the issue than ever before. But, even in this crisis, labor isn't going to come out second best. Lewis wants the "closed shop" but he wants something else far more—to demonstrate his leadership and to build fences for future struggles.

Mediation or compulsory arbitration in this instance now has been accepted by U. S. Steel Corporation in the captive mine dispute. This means that a big corporation is ready to arbitrate the "closed-shop" issue—an event in itself. But it takes very little risk because the National Defense Mediation Board hereafter isn't going to approve the "closed shop" as a blanket operation. The most it might do is to bring about a system of freezing existing "closed shops" or "non-closed shops."

In the "captive mine" controversy the arbitrators might possibly recommend, and it would be binding on both sides, that the "closed shop" be granted to the coal miners employed by the steel industry but that this shall not constitute a precedent for any "closed shop" in the steel industry as a whole. The agreement might even go further and bind the unions now not to seek a "closed shop" by strike or otherwise during the period of the national emergency. Such a provision, to be

legal under the Wagner Law, would have to be virtually a non-strike clause for a given period.

Peace is certainly going to be attained in the "captive mine" dispute before the week is over. The acceptance of arbitration by both parties or of extended negotiations while the miners go back to work will put the President in an embarrassing position. For he will really seem to be confronted then with the necessity of dropping his threat of legislation. Thus is the whole labor problem allowed to drift from one crisis to another while important productive capacity is left idle. The public, sooner or later, will understand that the shortages of materials can be traced in part to strikes and work stoppages and then they will be in a mood to criticize the government about it.

The record shows, however, that whenever Mr. Roosevelt gets a temporary peace on the labor front he drops threats and any show of firmness and lets the situation drift on. There is no reason to believe the present crisis is different from any of its predecessors. The truth is there will be no legislation and no fundamental cure to the labor dilemma until public opinion is crystallized among the workers and the non-labor voters of the nation. This is a long way off.

One reason, of course, is that management is more or less quiescent. The trade associations raise a bit of fuss but individual employers, large and small, do not seem to be active about it. Apparently the employers are taking the dangerous position that matters must grow much worse before they become better and that, if the President doesn't care about the interruptions to the defense program, why should anybody else?

The test in the President's attitude will come when the "captive mine" dispute is out of the way and the other strikes, whose number and nature have been soft-pedaled by his subordinates, begin to take a measurable toll of defense production.

November 1, 1941

Whether officially proclaimed as such or not, the realistic fact is that a state of hostilities exists today between the United States and Germany.

Two separate and distinct attacks on American warships by naval vessels of Germany have been officially recorded. In both instances it is known that the United States ships were engaged in convoying merchant ships bearing cargoes of war materials destined for enemies of Germany.

The question now is whether Congress shall recognize that a "state of war" exists and cause formal proclamation of that action to be made throughout the world. The President has not asked for ratification by Congress of the existence of a "state of war." He may be waiting for more incidents which reveal that German naval forces are attacking American warships, or he may decide that what has been known in past history as defensive military and naval operations shall be conducted without any offensive steps that go beyond the waters of the Western Hemisphere.

The orders to American destroyers and warships are to shoot at sight any Nazi submarines or surface raiders operating in the waters described as defensive by the United States Government. The Nazi Government has been anxious to avoid any action which would force a declaration of a state of war. But the Nazi submarine commanders can hardly distinguish at night between American and British warships proceeding together in a convoy. And since the policy of the American Government today is to protect our cargoes whether carried in British or American ships, further attacks may be taken for granted.

As soon as Congress, however, passes the legislation permitting American merchant ships to be armed, it is possible that the United States warships may be concentrated on purely American convoys, but to do this is to expose the British

merchantmen to dangers and that means the possible loss of millions of dollars of lease-lend goods.

As things are drifting along now it is going to be increasingly difficult for the Nazis to avoid becoming engaged in more and more shooting, and if this happens the time may not be far distant when public opinion will insist that the issue be met squarely. For when hostilities increase to the extent of a general shooting war, it is likely that the American people will not wish to deliver glancing blows at their adversaries, but will insist on extensive operations in reprisal for the attacks.

It is a matter of regret that the Administration has found itself compelled to deal in piecemeal fashion with the evolution of its defense policy. Thus the transfer of over-age destroyers in the summer of 1940 was a step taken without submission of the issue to the Congress. All subsequent steps except actual convoying or issuance of shooting orders have been taken by Congress, as, for instance, the passage of the Lend-Lease Bill. To this should be added the present measures for revision of the neutrality laws which will pass both houses shortly.

The Administration's position, of course, has been that American opinion was not prepared a year ago for shooting operations in defense of this hemisphere and that it was necessary to make a record which would show that the Nazi submarine warfare was being conducted against American merchant ships engaged on peaceful voyages in the Atlantic. Thus, on October 19, the steamship "Lehigh," which had discharged its cargo in Spain and was returning empty, was torpedoed without warning and sunk off the African coast. Here is a clear case of violation of the rights of the United States to peaceful passage of its ships on the high seas.

It may be that many citizens in America do not wish American rights on the seas protected and believe sincerely that the United States will not be imperiled if it yields to foreign attacks. But the vast majority of the citizenry as

revealed in the Gallup polls and in the overwhelming votes behind Lend-Lease legislation evidently believe that aid to England is a defensive measure.

There is, on the other hand, little doubt that many citizens favored these measures in the firm belief that if taken, a "shooting war" would really be avoided. The days of "shooting war" are here and the only question now is whether the area of hostilities will be narrowed or widened and whether activity will be diminished or intensified. The debate on whether it was wise for the President to lead up to the present set of circumstances without asking for authority from Congress to shoot hostile naval craft is interesting from an academic viewpoint. Realism, however, makes the debate somewhat meaningless. The concrete question now, pleasant or not, is whether the United States can now afford to withdraw from the Atlantic and avoid any more "shooting war," or whether military and naval power should be used to the utmost to rid the Atlantic of the perils of unrestricted submarine attacks on our commerce. In the vernacular of the day, it is a question of running away and yielding or "standing up" to the consequences of a formidable naval operation. This does not mean that any other military question, such as the sending of an expeditionary force, is or is not involved. This is certainly not up for consideration now. Members of Congress, if asked to vote tomorrow specifically on whether the attacks on American warships shall be resisted, would vote aye by a large majority. That's the temper of Congress at the moment.

November 6

As was anticipated, the President is already beginning to soft-pedal anti-strike legislation. The reason given is that at the moment it would complicate the neutrality fight on Capitol Hill and cause unnecessary cleavages. There has

been talk of putting anti-strike amendments on the pending neutrality bill.

But while the explanation is plausible, the chances of anti-strike legislation are diminishing anyway. The Administration still thinks it can handle labor unions by political maneuvering, threats and the pressure of an aroused public opinion. The threat of legislation is considered almost as powerful as the legislation itself.

Meanwhile, defense strikes and jurisdictional troubles pile up. Also public opinion is being educated as to the vacillating and almost timid attitude of Administration officials toward labor unions at a time when American lives are being lost in the Atlantic.

Congress, however, is not yet ready to act on its own initiative. Here and there are bold members, but without Administration support the labor lobbies can kill off legislation. The labor situation will have to get much worse before the Administration will bestir itself to do something about it.

The truth is the Administration is so much beset with acute problems that it prefers to let situations drift in the vague hope that they'll right themselves. Thus the inflation curve is threatening but the politicians are afraid of price control. They may pass some legislation early next year but at the moment unless the President gets back of them the proposals will slumber.

One important cause of inflation is the "closed shop." It is being used by unions as a means of forcing wage increases beyond the normal demand. Thus, rather than accept a "closed shop," many an employer is willing to let wage rates rise. The unions know this and there is a widespread appearance of "closed shop" demands for trading purposes. In the General Motors settlement last spring the National Defense Mediation Board furnished the national example for all labor. Here the men were given a ten-cent-an-hour increase and they with-

drew their "closed shop" demand. Other unions are following suit and the price spiral rises.

Priorities and material allocations have reached a point where it may be said that hoarding is being reduced. The inventories taken of supplies available for all purposes indicate that shortages in many instances have been exaggerated. Some easing up of the whole "shortage" list may be expected as defense needs are better synchronized.

There is no doubt that if the Administration had issued a plan for allocating available supplies and had announced a system of inventories on the same day it first mentioned the word "priority," there would have been less scrambling for materials. Everybody tried to develop a stock pile and now the government must, if necessary, repossess and reallocate on the basis of an orderly system. It will take time to do it, but in the long run there will be more materials available for civilian uses than have been anticipated.

The sinking of the "Reuben James" has, however, caused a profound impression in Washington. It is the same sad impression that always comes when human life has been sacrificed. It is a sobering influence. But just the same it has resulted in a stiffening of the attitude of members of Congress who, much as they may dislike it, feel that when an attack on American lives comes, the question is an immediate one—shall there be resistance or acquiescence. And while the latter may be more comfortable, public opinion isn't as timorous as public officials sometimes think it is.

On an outright declaration to recognize formally the existence of a "state of war," the President by means of a fire-side chat laying the facts before the American people could get a majority in both houses. His leadership is followed by enough members in both political parties to accept the facts of the international situation as he may outline them. There would be a filibuster and a considerable minority but in the end the President would win.

There is little likelihood of the President asking for a formal recognition of a "state of war" with Germany on the basis of anything that has happened to date. The attack on American lives and property and interests will have to be more flagrant than it has been thus far.

November 7

The most important barrier to peace in the Pacific is that Japan does not fully understand America's attitude toward a treaty and a pledge once given. There is a school of thought in Japan which considers treaties and pledged words to be secondary to realistic considerations. What is difficult for the Japanese military party to understand, for example, is that there is not the slightest objection to Japanese commercial expansion, but that there is every objection to violation of treaties and usurpation of territory or sovereignty by force.

The Japanese *Times and Advertiser*, which now reflects the viewpoint of the Japanese Foreign Office, did not aid Japan's cause in America by the publication of its series of "demands." To a Japanese, doubtless, some of these demands appear reasonable and some of them would appear so to an American, too, but when Japan issues demands stating what it wants and does not accompany them with a statement of what Japan is willing to do, the spirit of fair play and reciprocity is so conspicuously absent that the effect on American public opinion is distinctly negative.

What Japan needs to understand is that the American people are basically friendly to the Japanese and are sympathetic with the latter's desire for commercial expansion, but at the moment the main question which interests the United States is whether Tokyo is an ally of Nazi Germany.

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the nature of the tri-partite agreement as hardly as anxious to be friendly with the United States as with Nazi Germany. The policy of the United States in giving direct aid to China did not arise until after Tokyo decided to cast her lot on Hitler's side.

To understand that situation and to achieve peace in the Far East the first step is a willingness on the part of Japan to renounce her tri-partite pact. This can be done, because the treaty is not on a definite long-term basis but is founded on the expediency of the war emergency. The treaty, moreover, violates the famous Nine-Power Pact and is in itself an impairment of relations between the United States and Japan. A treaty that is inconsistent with a previous treaty has no standing in international law when it affects third parties.

The Japanese-American situation is tense, but it is by no means unsolvable. The coming of Mr. Kurusu will be a welcome help to Admiral Nomura, Japanese Ambassador here, who has struggled sincerely to transmit to his government at Tokyo the American viewpoint. There is reason to believe that what Tokyo has lacked is an interpretation of American opinion. Washington, for instance, has not been persuaded that the rule of force should supplant the rule of reason in Far Eastern matters.

There are several bases for an understanding if both sides are sincerely willing. Until recently there was no naval group in America advising that America would be better off to challenge Japan now instead of later. But the appearance of such a group has come because of the repeated evidences of Japanese military operations.

Washington is puzzled by the constant assurances given here that incursions in Indo-China are at a standstill, while published reports from Singapore tell of the gradual infiltration of large Japanese forces in Indo-China with the object of encircling the Burma Road.

As explained here, there are two Japanese peace factions—one which is genuinely anxious for peace, and one which would like to see peace parleys now merely because it will afford Japan an opportunity to pick a later time than the present for military or naval operations favorable to Nippon. A third group—the military enthusiasts—doesn't much care where present policy will lead, so long as it is firm and aggressive and carries on the war of aggression.

Secretary Hull has labored long and patiently these last few months to keep the door open for an understanding between Japan and the United States. So have Ambassador Grew at Tokyo and Admiral Nomura here in Washington. The answer to the unsettled condition of Japanese-American relations is to be found in Tokyo, where some kind of dual policy seems to prevail that seeks to placate Hitler and the Nazis on one day while threatening the United States, and endeavors on another day to patch up differences with America and make gestures toward peaceful relations.

Some day the Japanese will discover that the American mind likes frankness and directness and that recognition of some of the more important Japanese commercial aims would be nearer attainment if the Japanese were to manifest a genuine desire to toss the Hitler alliance overboard.*

November 13

The labor situation has come to the climax long dreaded as inevitable. The show-down between the economic power of a national labor union of the C.I.O.'s strength and the Government of the United States in the midst of a critical international situation depends for its outcome on public opinion and on the nature of the leadership exhibited by the President.

* This article was widely published in the press at the time it was written. It is believed that extracts were cabled to the Tokyo press by the Japanese news agency representatives in New York.

The withdrawal of the C.I.O. men from the Defense Mediation Board is in itself not serious. The Board wasn't properly constituted in the first place and it has been inconsistent in its decisions anyway. It made a mistake by granting the "closed shop" in the West Coast shipbuilding case when it forced Bethlehem Steel to conform to the remainder of the industry and it made another mistake by forcing the "union security" issue on the shipbuilding company at Kearny, N. J. For neither of these decisions has the Board confessed error. On the contrary a feeble attempt at justification was made.

The Board would have fared better if it had admitted its mistakes and announced a national policy. Instead it clung to the last to the fiction that every case was different and that it really wasn't creating precedents.

Mr. Roosevelt has an opportunity now to create a new board consisting entirely of public members, possibly nine in all. It is a farce to have two sets of partisans jockeying around the public members when everybody knows the latter group has the deciding voice.

John Lewis and Phil Murray are working together to produce a psychological result. They cannot seem to be retreating in the face of the rejection of the "closed shop" demand. It is natural for them to beat their breasts and threaten strikes. But it is unlikely that there will be any serious interruption of the mines. There probably will be a compromise proposal before many hours. All these problems are coming back to Mr. Roosevelt's doorstep because he has failed to deal with them realistically before. His associates have minimized the seriousness of the labor issue for several months.

Now in Congress a number of Congressmen are beginning to use the Administration's weakness on the labor situation as an excuse to vote against foreign policy requests from the President. Their reasoning is that if Mr. Roosevelt doesn't care enough about interruptions to production on the defense program to put a stop to them at once, then maybe the situation

as a whole internationally is not as dangerous or as urgent as he asserts in his public speeches.

Legislatively there can be no anti-strike legislation unless the Administration backs it. The bill offered by Senator Bridges is believed to have some Administration support behind the scenes. Secretary Knox is reported to approve it and the White House is said to be sympathetic but until this sort of thing comes out into the open there is no chance of any anti-strike bills being passed.

The President is impressed with the Canadian plan which requires a strike vote by the membership taken in secret and a prohibition against any strike called in the absence of a strike vote. Also there is in his previous policy a strong insistence that unions should submit their disputes to some kind of governmental tribunal before resorting to strikes of any kind.

The logical step, therefore, is to reconstitute the Mediation Board and make its findings applicable to both sides as a matter of law. This is enforced arbitration which is justifiable only during an emergency in which the nation is in peril. It is no less restrictive of the right of labor than management. In fact the Congress has given the President the power to seize any employer plants or facilities engaged in defense and the Administration has already used that same power—intended for an entirely different purpose—to compel obedience by an employer who differed with a union on a matter such as “union maintenance.”

It would seem probable that the C.I.O. must in the next few days decide whether it will find a face-saving way out by means of a compromise proposal and let production continue uninterrupted or whether it will force labor legislation of a restrictive character. The first of the two alternatives would seem to be the more likely and the moves toward that end are already in progress as these lines are written.

November 14

The margin of eighteen votes, by which the Congress voted to repeal the so-called neutrality statute provisions that prevented American ships from traversing the high seas at will, was in reality no true picture of the sentiment of the House on the merits of the issues themselves.

Many members, knowing that the bill would pass used the occasion to emphasize their demand for legislation to curb strikes on defense production. Others gave vent to grievances of one kind or another against the Administration or the President.

The basic fact is that if the United States were demonstrated to be in need of a vote of Congress as a measure of safety or as a move in support of the anti-Axis sentiment of the country, the tally would be almost as overwhelming as it has been on the Lend-Lease legislation.

What is more important than the domestic phases of the controversy is that the United States Congress has at last placed the position of America on the same basis of international law that applied before the cash-and-carry policy was adopted.

The isolationist sentiment, which for a decade or more has been dominant, managed to get the neutrality restrictions through Congress in the first instance. This was the sentiment which persuaded many people that wars start with munitions makers and that only sordid financial gain induced the United States to enter the last war. This kind of argument, sponsored by Senator Nye and others, was responsible for the neutrality legislation restrictions which were supported in the first instance by many members of Congress who came to share the view that if American ships were kept off the oceans there would be no danger of war.

What has happened since is that even in peaceful waters far from the battle zones, American ships, like the steamship "Lehigh," empty of cargo and bound homeward from a neu-

tral port, have been torpedoed without warning. The fact is, the right of the United States to traverse the high seas has been challenged by the Nazis and there is, of course, no rule of international law which gives any nation complete sovereignty over the oceans even in time of war.

The fact also is that munitions makers in America have been and are against the war and that the principal support of the America First Committee and the isolationists has come from industrialists who might be expected under the Nye doctrine to want war. The average business man has been against American participation in the war and many of them have been criticized for not taking on defense contracts more energetically.

Since the alleged causes of war have been gradually erased as the true causes and since the Hitler cruelty and aggression have been exposed to view, the American Congress has had to decide whether it would submit to the invasion of its rights and attacks on its merchant ships.

The new legislation does not mean war unless Hitler wants to start general hostilities. It merely means that American ships will assert the same rights they had in 1914. Whether the violations of American rights on the high seas will result in America becoming an active belligerent as occurred in 1917 is still a matter of conjecture. Many people in Washington regard war as inevitable, but they believe this not because of any desire for war but because they think the Axis will force the issue.

The present situation is a form of undeclared war that Germany and other nations have employed in the last few years. It is a policy that conforms to the strategic needs of the nation that uses it. There is no rule of international law which requires a declaration of war if both belligerents wish to refrain from such a declaration. The Japanese-Chinese war has been going on for some time without a formal declaration of war having been communicated to the Washington Government. Russia was an ally of Germany and an active helper of the Axis

cause for nearly two years without a declaration of war being filed by Britain against the Soviet Union.

Ever since Hitler decided to go through neutral Denmark, Norway, Holland and Belgium, a new conception of neutrality has been developed on the defensive side, too. Neutrals on the defensive who are potentially in danger of attack from an outlaw state no longer regard it necessary to abstain from openly helping belligerents who fight against the aggressor states. If undeclared war is anomalous, it is not because the neutrals have desired it so, but because it is the only way they can make protective neutrality effective.

The vote in the House for the removal of restrictions on American ships that wish to enter all ports of the world irrespective of blockades was somewhat different from that which merely authorized the arming of merchant ships. Many Democrats bolted, but this time the Republicans again lined up as they did on the first measure. The majority of the Republican party has again taken the isolationist position which certainly means they cannot possibly carry the House in 1942.

November 19

Inside the ranks of labor there is much dissatisfaction with the way Lewis has stepped off the deep end. Even inside the C.I.O., the discontent is growing. The President can count on a cleavage in labor's ranks if he takes an aggressive course but he will not get much support if he tries to put the troops too far into the situation. Aside from a possible order here and there to prevent violence, it is unthinkable that the army should take over the job of policing all the mines or operating them. The solution has to come some other way through the breaking down by law of the power of a clique or small group to hold up the defense program.

The President unquestionably feels the humiliating position in which he has been placed by Lewis. Mr. Roosevelt is slow

to wrath but it may be taken for granted that in the long run the President will not come out second best. His method of acting slowly and exhibiting patience is calculated to build a backfire under Lewis inside labor's ranks. It would not be surprising if before the end of this week the cleavage begins to be apparent. It may be the beginning of the end of the Lewis régime in the C.I.O. and it may be the means of ultimately bringing the C.I.O. and the A. F. of L. together, for, if Lewis is beaten in this fight and restrictive labor laws are passed, labor will find it advisable to put aside its factionalism and build more soundly for the future.

November 20

The general situation in the war areas looks better from the Washington viewpoint. Russia is proving a stout defender and there is every evidence that the passage of the neutrality repeal will enable the navy to move more freely in protecting American ships that carry cargoes to belligerent ports. The purpose was not so much to get the right to carry tanks and planes to England itself but to African and Near Eastern ports under naval convoy. Ultimately the Mediterranean may be cleared of hostile shipping and it may be possible for American merchant ships to go through Gibraltar to the Near East. Certainly the flow of goods to Arctic ports in Russia will now be intensified.

On the whole we are no nearer war in Europe than we have been. The danger of war in the Far East, however, still persists. The Japanese are playing a shrewd game. They are bellicose for the benefit of Berlin but underneath some elements in Tokyo are playing for some means of extricating themselves honorably from the tri-partite treaty and from the China war. What the militarists in Japan may do at any moment to upset the applecart cannot be foretold. It represents a sinister aspect of the situation.

November 25

Mr. Roosevelt is reported to have capitulated to Lewis when John R. Steelman was appointed the deciding arbitrator. But if he did, it was to get the particular dispute settled and not to establish a precedent for the "closed shop." The fact that Mr. Roosevelt immediately afterward went ahead with his conference at which legislative ideas were outlined may be taken as a sign that while Lewis may get his closed shop in the captive coal mines, it may be the last closed shop granted during the present war emergency.

November 26

The war situation continues to progress toward more and more American participation. The sending of troops to guard the bauxite mines in Dutch Guiana was a subtle hint to the Japanese that when it is necessary to protect important raw materials, whether they are owned by the Dutch in this hemisphere or in the Netherlands East Indies, America will take steps for military protection.

Likewise it is a hint to the Vichy government that the United States may soon order forces to protect Martinique and some of the islands off the South American coast from which Nazi operations might be conducted.

The American policy at the moment is to give all but man power to support the British drive in Libya which gives every appearance of being a long drawn out battle with constantly increasing quantities of war materials being sent to that area by the United States. If the British can draw more and more Nazi airplanes to the African theater of war and can keep up a stronger and stronger naval offensive in the Mediterranean against Axis convoys, the chances are we shall witness in the next eighteen months a reversal of the events by which the war was unfolded, namely an attempt to recapture Crete and

Greece and a return of British forces to Yugoslavia. It is believed in military circles that an invasion of France will never occur till the upper hand has been secured in other areas in Europe by the British and Russian forces.

November 27

As befits a delicate negotiation, the conversations between the Japanese and American governments have been carried on with the utmost secrecy. Yet everybody knows that matters of the gravest importance are under discussion. The issues are fundamental, and while there are certain risks in publicity, there are on the other hand considerations which would make it possible for the Japanese and American peoples to avoid friction if the nature of the problem were better understood by the public in both countries.

The fact that the United States Government has broadened the conversations to include in separate conferences the diplomatic representatives here of Great Britain, China and the Netherlands is sufficient indication that a genuine attempt is being made to develop a *modus vivendi* or temporary arrangement as diplomacy employs the term.

Sometimes when a permanent solution appears to be insurmountable because it is not possible for either side at the moment to make concessions, the diplomats suggest a temporary basis without commitment as to what may happen thereafter. Usually at the expiration of a temporary agreement a basis is found for continuance if there is originally a will to agree.

The basic issue in the Japanese-American dispute is whether Tokyo is going to play ball with the United States or with Herr Hitler. There is reason to believe that Japan has, within her own intimate circle of government officials, already made her decision. Is it to taper off relations with the Axis over a period of time?

But such a step cannot be taken by the Tokyo Government unless the nationalistic spirit of Japan obtains certain definite pledges or commitments of Japan. There can, on the other hand, be little economic progress for Japan while she is absorbed in a war with China. To liquidate the China incident is more important for Japan than any ties with the Axis. Japan is basically interested in the Far East and her intimacy with Hitler from the very beginning has been to develop a trading point or leverage upon America which would assist the Japanese in fulfilling their Far Eastern aspirations. The United States, on the other hand, sees in China an ally of great value in the event that Japan insists on adopting a warlike course toward America. To arm the Chinese and give them mechanized weapons is a natural military step for a power many thousands of miles away which cannot possibly transport man power to the Far Eastern areas in any substantial numbers.

Japan is well aware that the American policy has a military background and the questions become very delicate as militarists in Japan see the American Navy cooperating with the British Navy to keep open the routes to the Dutch East Indies as well as to the Siberian ports.

If Japan, on the other hand, could break away from the Axis there would be no need for any military or naval concentration on the part of the American or British governments in the Far East. But to sway Japan away from the Axis requires an understanding between China and the United States as to what can be done to bring about a peaceful solution of the Chinese-Japanese war.

The United States has held some trump cards because her financial and economic resources can be of material assistance to both Japan and China in an era of reconstruction, and everybody knows that economically both countries are in desperate circumstances.

The opportunity for a statesmanlike settlement is here, provided troublesome elements in the Japanese public do not in-

trude themselves and make the task unsolvable. Thus there are elements in Tokyo which are inspired and influenced by the Nazis who do not want to see Japan and the United States working together. There are elements also which are not ready to see Japan give ground in China because of the possible mis-construction of such a step as indicating a worthless sacrifice these last four years.

Reports of progress are hinted from day to day but it is too soon to know. Too many elements have to be consulted.

December 1, 1941

Japan and the United States are engaging in what may be termed the most fateful piece of international jockeying the world has seen in many years. Neither government appears to want war, but each nevertheless wants all the advantages of the victory that war might give. Neither side really believes the other side will fight—and yet each is prepared to fight.

If the United States and Japan are on the verge of war—and the headlines would seem to indicate it as do also the strange maneuvers behind the scenes—then it is the first time in the history of the United States that a major war approaches without informing the American people of just what the issues are and why war is so essential to the settlement of the difficulties.

The first step toward the making of a public record came a few days ago, when Secretary Hull handed to the Japanese Ambassador a formal document outlining the American position. The Japanese have prepared a reply. In due time these documents will have been made public.

But along with the dispatch of the formal memorandum, the United States Government did something which, to say the least, is unusual. The newspaper correspondents were called in and given a picture of the gravity of the situation and its hazards. Over in Tokyo the Japanese Government has been

doing this in another way. It has inspired the press to write editorials or to print articles emphasizing that a break is at hand and that Japanese patience with the United States is exhausted and so forth and so on.

Just why both governments should imagine that the transparency of these maneuvers will not be discerned by the other is a mystery. But there is an even greater danger. It is that if war comes American public opinion will be plunged headlong into the issues without much real preparation for the far-reaching decisions that will have been made.

This business of telling each other indirectly that war is at hand unless concessions are granted grows out of a curious situation. Japan has been led to believe that America is not really at heart concerned about war and that the American people are divided about it. In fact, the way the Administration allows interruptions to the defense program, on the one hand, while urging priorities and allocations of materials, on the other, tends to convince the Japanese that there is no serious purpose behind the strong words used by the American Government. When the plea of the President of the United States that coal be mined uninterruptedly is ignored by the powerful miners' union and by the Congress, the Japanese believe that both President Roosevelt and Secretary Hull must be bluffing. No nation on the verge of war, they say, would tolerate such flagrant defiance of the national needs.

The United States, on the other hand, has convinced itself that Japan must be bluffing, for the economic plight of Japan is bad and there are no steel or oil industries to speak of in Japan, hence the prospect of a major war is doubted here.

The truth probably lies in the well-conceived plan of the Japanese to secure their objectives if possible without going to war. In this they have taken a leaf out of President Roosevelt's book of relations with Hitler. Step by step the United States has moved closer to war without actually engaging in

general hostilities. The Nazis are occupied with the British and prefer to keep America from coming in as a belligerent. The United States is so occupied in the Atlantic that Japan thinks America really would prefer to go almost to any lengths instead of fighting a Far Eastern war.

What makes the situation even more puzzling is the attitude of the British. While Prime Minister Churchill has said that England would declare war on Japan within an hour after the United States and Japan went to war, he did not say that the British Government considered the recent encroachment by Japan on the Burma Road as a step that would engage the British irrespective of what the United States did about it.

For reasons best known to the exponents of secret diplomacy, the United States is taking the lead in the Far East. One wonders what the President will say to Congress if war between Japan and the United States does come. That's one reason why it is desired to do nothing to take the initiative in a military way, leaving the aggression to be an act of the Japanese. But is it aggression against the United States if the Japanese move in on the Burma Road? Is China an active ally of the United States and is the defense of China vital to the defense of the United States? Many people believe so, but neither the President nor Congress has said so formally as yet. That's one reason why the various moves with their obvious threats and studied desire to produce certain effects in either Tokyo or Washington—and both governments are doing it—tend rather to create the impression that while the situation is, indeed, serious and may break out into war, the actual evolution toward that final stage may yet take considerable time. Meanwhile it is even more puzzling that elements cannot be found in Tokyo or Washington sufficiently persuasive to stop the drift toward war unless, of course, Japan has decided for all times to cast her lot with Hitler; in which case both Britain and America, because of their policies in the Atlantic, must find themselves eventually

ranged against Japan on all fronts, naval, military and economic.*

December 2

War with Japan means war between the United States and Germany, too. But even this risk is in the minds of high officials as one that cannot deter the United States from standing firm in its relations with Japan.

The situation has not taken on a final pattern, however. The chance for a peaceful settlement is dependent on the absence or presence of an overt act that can at any moment end the discussions and conversations between the two governments.†

As long as the diplomats talk there is hope of peace. Documents and memoranda will continue to be exchanged for a while longer. Maybe a formula will be found and at the end of the talks some other step interposed which will maintain peaceful relations on a day-to-day or week-to-week basis.

What is regrettably absent in this crisis is something that has always been urged as one of the saving graces of democracy—namely, an intelligent and informed public opinion with a will to peace on both sides.

Neither the Japanese nor American people know the issues involved except in an abstract sense. In Japan a censorship of the press prevents the American viewpoint from being accessible to the Japanese people. In the United States, Japanese spokesmen are handicapped by the bellicose talks back home and by the movement of troops and naval vessels of Japan to positions in and around French Indo-China, which strategy seems to be encircling the Philippines at the same time.

* This article was widely published in our press at the time it was written. Whether extracts were cabled to Japan and whether, if so, they were permitted to be published there due to censorship is not known to the author.

† The overt act came a few days later—December 7th—with the simultaneous attack by the Japanese on Pearl Harbor in the Hawaiian Islands and on the Philippine Islands.

If there is to be war, it will start under strange auspices. The American people have no hate in their hearts for the Japanese. For generations a mutual admiration has been developing between the two countries and despite the differences in language and customs, some warm friendships have sprung up between Japanese and Americans.

There is, of course, the element of distrust on both sides. The Nazis have been carrying on their intrigue in Tokyo and stirring up antagonism against everything American. There are in America many persons of anti-Japanese bias who have held up to suspicion everything Japan does.

When, therefore, the militarist group in Tokyo carries on military and naval movements on a vast scale in the area of Indo-China and Thailand at the very time that discussions are going on in Washington, the task is made doubly difficult for those Japanese liberals and Americans who are fundamentally convinced that a peace plan can be consummated.

Japan and the United States could work together in the Pacific. They did it effectively in 1917 and 1918. Japan knows in her inner conscience that Hitler can never be of permanent aid in her development as a world power. Japan knows, moreover, that naval powers must stick together or extinguish one another and that with the relatively small steel industry in Japan, the Nippon Navy can hardly hope to outbuild or outstrip the British-American naval power.

This is entirely aside from the bravery and fighting ability of the Japanese, which is conceded. What is more important is that Japan and the United States have no sound reason for going to war and they have many sound reasons for being allied.

The question of what part China shall play in a settlement is ever present. Sympathizers with China insist that America cannot appease Japan at the expense of China. There is no need for material injury to the permanent interests of any of the three powers. What can be done to straighten out the Far Eastern situation by a policy of economic realism on the part

of Japan and the United States and Britain is well known. But is there a will and determination to put all else aside except the objective—to beat Hitler?

The Japanese know that America is as anxious to crush Hitler as are the British. The Japanese have a certain weight that can be thrown into the scales today. The Japanese, however, do not wish to be treated as a third-rate power but as an equal partner in the Pacific. The pride of the Japanese is involved as deeply as are any questions of political sovereignty. Some ingenious statesman in Tokyo, London or Washington, can surely develop the formula that will end the Sino-Japanese war and at the same time put Japan in the world picture as an ally of Britain and America.

It will require concessions on all sides and perhaps even a scrapping of some of the academic arguments that have been used in the past. Japan has made certain strides by means that are not approved in America. Can assurances as to the future be placed on a basis that will invite American faith and co-operation hereafter? The Japanese know full well what is the underlying cause of today's misunderstandings. They can help to find the way out, and, if necessary, the United States can send a special American envoy to Japan to place our view before the Japanese Government to supplement the work of Ambassador Grew—an able diplomat but one who may need skilful support at this time in what happens to be the most critical period in the history of the two peoples. The way to peace can be found if the will to peace is strong enough. The American people want, as do the Japanese people, to avoid a war that will accomplish nothing that sane counsel and self-restraint could not better achieve.

December 3

There is supposed to be a crisis in our foreign relations. Japan and the United States are supposed to be on the

verge of war. But this seems to be true nowhere except in the headlines.

For official Washington is the same old scene of disunity and petty squabbling, with the same old intrigue and the same old class warfare and mutual suspicion.

One group of so-called liberals is trying to drive the dollar-a-year men out of Washington possibly because they are the men who know the practical side of production. The so-called liberals do not seem to be interested in efficiency if it interferes with their schemes to foist government ownership and government controls on the private enterprise system.

Business men dread to come here. They want to be of service to their country, but the atmosphere in Washington repels them. They would like to trust the President's leadership, but they see him refusing to lift a finger to rid Washington of the New Deal schemers who keep henchmen in power no matter what the demands of an efficient industrial production might require.

Almost everybody in the business world knows that the labor situation has been miserably handled and that there is no such thing as equitable treatment or fairness in the labor laws or their interpretation, and that national defense has been severely interrupted by strikes which the Administration has consistently refused to denounce or extinguish.

A few weeks ago the climax came when the union leaders so far forgot the needs of national defense as to insist on the compulsory "union shop" to close out employment to all who refused to join a union.

The President of the United States said publicly that the government wouldn't compel a man to join a union against his will. Then the President selected as an arbitrator some one who technically leaves the government service for a few days in order that he may be free to decide that compulsory unionization is all right.

The men in the steel industry, high and low, are bitter about

it. They entered the arbitration in good faith thinking the issue would be resolved by independent arbitrators and that neither side would be given an advantage ahead of time by being told the personnel of the arbitration board. While the arbitration tribunal is supposed to settle only one issue—that of the “captive mines”—it may set a precedent for all industry.

Compulsory unionization is not consistent with the principles of human freedom. It savors more of the Soviet system of collectivism, but if it comes, the way will be opened to the inevitable regulation of labor unions by government. Under Fascism the labor unions are regulated by the government. Under democracy monopolies have always been regulated. A monopoly system of union control of jobs and workers will unquestionably bring government regulations. Then the unions will find themselves less free than they ever have been or could be under a democracy.

Discouragement about the labor situation in the business world, friction between government agencies, and even intrigue among government officials who bite away at one another in a dozen different ways, merely emphasizes the degree to which disunity has gone. If there is a crisis in the Far East and America is on the verge of war, there is no sign of it here in the attitude of the pressure groups or of the exponents of class war. Instead Washington harbors lobbyists from the New Deal's former entourage who strive for profitable contracts for clients and union lobbyists who seek bigger and bigger privileges from government and pay rolls out of which to derive commissions and union fees for organizers and officers.

The spirit of unselfishness and sacrifice that should permeate a national government is woefully absent. The reason is that the leadership is still partisan. Only the men who have been New Dealers exercise the power behind the scenes. For while there are a few men who serve as window dressing from among the business men, the real powers are held by New Dealers and they directly and indirectly permit pressure groups favorable to

their political cause to have their way or else they permit sniping attacks on business and industry and the dollar-a-year men to discourage those who could be of practical aid in the crisis.

But there is no external sign of crisis except in the headlines. Selfishness as usual and politics as usual and pressure groups as usual dominate the Washington picture. Maybe a real crisis will come some day and change all this, but even the Japanese-American crisis hasn't served thus far to bring that needed change.*

December 4

The Japanese crisis is a piece of major strategy engineered by Hitler to stagnate American and British battle fleets in the Pacific. Certain Japanese elements do not want war but they are willing to push events to the very edge of action in the hope of satisfying Hitler and at the same time frightening America into withholding some of her planes and ships from the Atlantic.

Thus far the Japanese have not succeeded in diverting America's productive effort and they are somewhat surprised that Britain and America are ready to take on the Japanese in a naval war at any moment. The hope here is that the war will not materialize right away, if at all, because it means economic suicide for Japan, as well as a well-armed Russia and China combined against Japan for the first time in a generation.

The Japanese are believed to be watching the trend in Libya and around Moscow for their cue. They are, to be sure, encouraged by Axis victories, but this may not mean they are ready to make the critical decision of war against America and Britain.

There is a good deal of pessimism in Washington about the

* This, it will be observed, was written and described the atmosphere in Washington four days before the Japanese attack on Pearl Harbor.

immediate future—a belief that Moscow is doomed and that the British have not prepared as well for North Africa as the press dispatches have led the world to believe. The feeling is growing that the British are not well organized in a military sense and that indecision and wavering in high councils has been responsible for serious mistakes in planning.

Talk rises that the Churchill government is in danger of being voted out on account of the failure to concentrate production in a single control. The British seem to be making the same mistakes as we are on our defense program.

There may, therefore, be some unpleasant tidings in the offing. In fact, as the third winter of the war approaches, the news is going to be more and more serious for the American people to ponder. The British are getting tired. They have done a fine defensive job but they have not succeeded in lining up an offensive. Even the Russian front, while helpful to the British cause, has not found the British any too well prepared to send aid. There is a possibility that the offensive in Libya was forced on the British high command by political pressure to satisfy the Russian plea for a second front. If the Libyan reverses come, it may well be because the British had not yet received enough weapons and supplies from America to carry on the major war in Africa they expected to wage.

December 5

Japan and the United States are asking each other questions now. That's a hopeful sign. But it does not mean that clear answers can necessarily be expected.

For as America asks Japan why she is moving her troops into the Thailand area, the Japanese can well ask the United States why munitions and supplies are being moved into China in a steady stream to be used against the Japanese troops.

The truth of the matter is that the Japanese militarists believe fundamentally the United States took sides early in the

Chinese-Japanese war and that the treaty between Tokyo and Berlin was a measure of defense against rising American aid to China.

In the face of these contradictory claims and charges, the fact remains that Britain's role in the present crisis is far from clear. Prime Minister Churchill has promised the United States that he will ask Parliament to declare war against Japan within the hour after Japan has begun a war against America. But at the present moment, the British are moving military and naval forces into the Singapore area and there is no doubt that when Britain moves, Japan considers it her duty to move, too.

What is rather surprising is that diplomatic conversations have been proceeding in Washington without a definite understanding being reached in advance by both sides to maintain the status quo during the talks. Usually in diplomacy when a crisis is reached, the first requirement of any parley is that neither side shall take advantage of the situation to creep up in a military way to any objective that might be useful as a base of war operations.

It is not too late for such a declaration of status quo to be reached by agreement. Maybe that is what the present interrogatories will lead to, for in asking Japan why she is moving her forces toward the Burma Road America either must be prepared to say that the movement shall cease and to back up such a declaration or else agree to a status quo. This could very well be the forerunner to a general status quo in the Far East or an armistice between Japan and China.

Japan is a proud nation and a sensitive one. Her militarists are acting with a degree of irresponsibility that has made even large elements of the Japanese political group apprehensive. It is necessary for the United States not to maneuver in such a way as to give further ammunition to the militarists but to place the latter in the position of taking the initiative if the parleys fail.

Our request for a status quo agreement does not impugn the

good faith of Japan as a nation but merely compels the militarist government to state whether it wishes to go on moving troops and warships even while the parleys are going on. It is another way of accomplishing what the American Government may have had in mind in making the inquiries.

If the Japanese Government is willing to agree that it will not move any of its forces it may also be willing to withdraw what it has sent to Indo-China in the last three weeks, but this is not essential to any preliminary agreement. If Japan and the United States really wish to avoid war, they can do so by first agreeing to a status quo and then enlarging gradually the terms of such an agreement without coming to an understanding on fundamental issues until the time for such a settlement is more opportune than it is today.

Most of the Japanese business men are reluctantly leaving the United States. They are an unhappy lot. Over in Japan, most of the Americans have either gone home or are packing to go. They, too, are sad about the turn of affairs. What seems so regrettable is that the spokesmen for the two governments have not been able during the last several months to come to grips with the underlying issues. America feels that she has been patient and painstaking and it is true, for instance, that Secretary Hull has worked hard to attain an agreement. But if there have been inconsistencies and contradictions on the Japanese side, it is also true that Japan's policy has been one of evolution. Her militarists have been slowly but surely informed of the steadfastness of the American view and this has challenged the liberal Japanese officials in Tokyo to find a way to bring about an adjustment.

The chances of peace depend still on how much the American argument has penetrated and on how much skill our diplomats will use in avoiding steps that aggravate and do not help heal the friction. Two nations that do not hate each other or dislike each other ought not to find themselves fighting one another because of a lack of reasoning power or patience.

AFTER PEARL HARBOR

December 1941 to May 1942

December 7, 1941

Japan attacks Hawaii and the Philippines.

December 8

Hitler—not just Japan—has attacked the United States. Using the militarists of Japan as his catspaw, he has thwarted the liberals, moderates and peace-loving elements of Japan. The war, which for many years has been thought inevitable by many Americans, especially in the army and navy, is here at last.

Just as so many Far Eastern experts have always predicted, while their fellow Americans scoffed at such a possibility, the attack has come without warning and without a declaration of war.

Under the Constitution of the United States, the President can repel invasion without the necessity of action by Congress, but nevertheless a formal resolution recognizing that a "state of war" exists is planned by Congress.

The direct consequences of the Japanese attack on the United States may be summarized as follows:

1. The American people, irrespective of party or faction, will unite as never before behind their government.
2. The Army, Navy and Air Corps will operate on a war basis without waiting for action by Congress.
3. Longer work shifts and concentrated effort will be the result on the production side as it grows apparent that America will be fighting a two-ocean war.
4. Hitler will rejoice, for he has succeeded in dividing America's energies so that military and naval supplies will not go

as fully to Britain as before. Protection of both coasts becomes essential, together with a diversion of some of the weapons of war that would have otherwise gone uninterruptedly to Britain.

5. Russia and China will join America and assist in Far Eastern operations. Arming the Chinese will be America's paramount task in getting adequate man power mobilized.

6. Labor legislation will probably ride quickly through Congress and management will promptly accept the hardships of priorities and allocations as the all-out war effort calls for co-operation on every side.

7. Isolationists for the most part will drop their feud with the President. For they can no longer say Mr. Roosevelt is violating his campaign pledge wherein he promised not to send American boys overseas "unless America is attacked." For now America has been attacked.

8. The theory that America was immune from attack and that those who insisted on building up defenses were war-mongering will have to be abandoned by the group which for two years has fought the President inside and outside of Congress. National unity, long needed but not realized, may come now as factional disputes and party warfare are forced to one side by the greater concern for the nation's safety.

The whole attitude of the nation toward defense will have been altered overnight. The two years which have passed since the second world war broke out in September, 1939, have been fraught with disunity that has made it necessary for the President to proceed in piecemeal fashion to build up America's defenses. Now that obstruction of every kind has been removed, the war effort of America will reach an intensity far beyond anything known in previous wars.

What may not be realized at first by people generally is that war with Japan means war with Germany, too. For Japan has a sacred treaty with Italy and Germany promising to attack the United States if America attacks Germany. Obviously the ac-

tion of the United States in warding off German U-boat attacks in the Atlantic could be used by Japan to argue her case, but the chances are that the Tokyo militarists will seek to justify their course not at all by reference to their involvements with Hitler but on the basis of steps taken by the United States to aid China.

For Japan and China have been at war and in recent months aid has gone from the United States in steadily increasing quantities. This has not been the action of private citizens engaged in war trade but the action of the Government of the United States extending financial and military aid to the Chinese. Historically the Japanese will contend that the United States violated neutrality by intervening in the war between China and Japan. The American answer to this for the historical record will be that Japan solemnly pledged herself in the famous Nine-Power Treaty of 1921 to preserve the territorial integrity of China and that this treaty having been violated it was up to America to help the victims of aggression in the Far East just as it became American policy to assist the victims of Hitler's aggression in Europe.

Broadly speaking, international law has resolved itself into a program of protective neutrality for democracies which see their treaties ignored as the forces of aggression break loose throughout the world. Japan under the influence of Hitler has brought America into shooting war. Latin America will join on the side of the United States. The second world war extending to the four corners of the globe is on. The moral force of diplomacy and reason has again been squelched and the force of brute military power is being mobilized in the greatest conflict of modern times.

December 9

While Japan caught the United States Navy napping at Hawaii, the lesson of that sudden attack will influence

American defense policy for generations to come not only on the Pacific but on the Atlantic coast as well.

No longer will it be argued that nations do not send their air forces three thousand miles to attack. Japan sent her airplanes farther than Germany would have to send them from the Azores or from African bases and, certainly, if Nazi or Vichy-owned aircraft carriers some day duplicate the Japanese feat, attacks on American coast cities from the air are equally feasible.

Just as the French depended on the Maginot Line and never thought much in terms of offensive war, so today the United States is paying the penalty of having believed too much in the isolationist doctrine of two oceans as a protection against invasion or attack.

Until less than a year ago the designers of airplanes for the United States were told to think in defensive terms. Only within the last few months have the possibilities of offensive war in the form of mighty long-range bombers with large cruising speed, or numerous aircraft carriers capable of launching long-range bombing planes, been an integral part of American defense policy. And, of course, in time of emergency, the United States now does not have enough.

Congress is already giving voice to an undercurrent of criticism against the navy, little realizing that our air force for offensive use against Japan is weaker than it should be, largely because even as late as April, 1940, Congress refused to bestir itself and vote large appropriations for airplane making.

But there is another phase to the criticism of those circumstances which today bring Americans face to face with their first major naval defeat in many decades of history. It is that somehow the civilian branch of the Administration did not synchronize its advices and judgment too well with the naval branch of the government.

Inside the Administration it was well known, for instance, that the militarists in Japan might at any moment commit an

overt act. This has happened before in our relations with Japan, as for example, when the "Panay" was bombed in Chinese waters—an act later repudiated by the Japanese civilian officials in contact with our Ambassador.

It was known here that the memoranda being exchanged might prolong the recent negotiations and that the militarists have felt themselves in no sense responsible always for keeping the Foreign Office at Tokyo advised of its plans. It is possible that neither Ambassador Nomura nor Saburo Kurusu knew of the impending attack. It would be like the militarists to use the diplomatic branch of the government to cover up preparations for attack and to keep that fact secret from everybody in the whole foreign service of Japan.

But in Washington when the first note was sent on November 26, which was a flat rejection of the Japanese viewpoint, it was known that the militarists might break loose. Why wasn't the navy ordered to be at posts of duty twenty-four hours a day when such a critical stage was reached in our relations with such an uncertain government as the Japanese has shown itself to be?

Under the American congressional system there are not the opportunities for interrogating the responsible officials of the executive branch of the government as under the parliamentary system, but some day there will be a lot of asking of questions and a lot of explaining just the same. For while the barrage of accusations concerning the treachery of the Japanese is fully justified, it is also going to be important to know why the American Navy was not on the alert and why it had no way of determining the approach of hostile airplanes. The stories of listening devices that tell of the approach of enemy planes have been widely published heretofore, but no explanation is forthcoming as to why the detection was not made in the case of the Japanese on Sunday.

It will also be interesting to learn why the United States sent

its note of November 26 if its navy was so unprepared as recent events show it to have been.

It is too early to know exactly what did happen, and later explanations may present the attack in a different light in behalf of the navy. But the mood of Congress, it must be reported, is militant today and it is a safe assumption that this war will start out with a far more offensive spirit than did the World War. Perhaps the defeat handed to the United States over the week end will eliminate the boasting and the overconfidence and make all concerned realize that it is poor policy to underestimate an enemy's strength or fighting spirit and that it is wiser to prepare for the worst. Perhaps it will give our navy the stimulus needed to carry on offensive war against the Japanese. The attack on Hawaii may prove in the end to have been Japan's greatest mistake in strategy, for it means early bombing of Japanese bases and cities—something which our air forces might have otherwise hesitated to begin.

December 11

Japan caught us unprepared. The diplomatic end of our government knew it had a serious situation on its hands. Off-the-record talks with reporters during the last fortnight emphasized the gravity of events but the impression prevailed till last Sunday, when the Japanese attack on Pearl Harbor came, that somehow the negotiations and conversations would be continued.

The weakness, however, was that our government never knew what the militarists planned. Our contact was always with the civilian side of the Japanese Government, the ambassadors and the liberals, all of whom wanted peace. Whether Nomura and Kurusu were themselves used as pawns by the militarists will doubtless never be known but there is reason for believing they did not want war. Nomura told me earnestly and em-

phatically a few weeks ago: "War settles nothing. The problems of the Pacific can never be settled by cannon."

Our military and naval unpreparedness will take a lot of explaining. Part of it was due to our mood of half-hearted preparedness these last two years. The Administration has tried to carry water on both shoulders—to keep reforms and "social gains" and at the same time to impress us all with the fact that war was in the offing. Handling of the labor problem has been tragic. Even as the Japanese crisis was approaching the President was surrendering to Lewis and maneuvering with the fact-finding board in the railroad controversy to award higher wages—and yet the anti-inflation talk was going on in full voice.

These inconsistencies and contradictions will become more real now. Public opinion will become more assertive. It will demand a shake-up in personnel where there is inefficiency. It will not be temporized with when the long casualty lists come in.

Responsibility will rest equally on management and labor to avoid friction—everything will have to be subordinated to the supreme effort.

The length of the war will depend on how quickly America concentrates on production and mobilization of man power. For we shall fight on the seven seas and send men to all continents. It's total war. And the best defense is a strong offense.

In the end we shall win because we have the materials, the inventive genius and the manpower on our side. But it will mean heavy losses, disappointments and tragic days.

Meanwhile, what can business men do? They will need to impress on their key men and their skilled workers that they must not run to a recruiting bureau recklessly but must determine whether they can help more in the factories and plants, leaving it to the draft machinery to select those needed.

Also it will be essential for business men to keep up the morale of workers in all other respects—improving working conditions, avoiding petty squabbling and generally keeping up

a psychological unity which is so essential behind the lines. Shortages of skilled labor are already here—as well as shortages of capable managers. Longer work weeks, longer hours and harder work will be needed.

Our navy has suffered a severe defeat. It could have been avoided. But investigations are helpful only if they prevent further defeats. Incompetent officers will have to be weeded out of both army and navy. War is a young man's business. In the civilian end, the war must bring an end to class friction and subtle attempts by either New Dealers or non-New Dealers to gain advantages for themselves.

Labor has demonstrated that it cannot discipline its rank and file. Anti-strike legislation is more than ever needed. The President is disposed to sidetrack it and try "voluntary co-operation" again. This has failed before because the A.F.L. and C.I.O. really do not have control over their locals. Lewis called a strike and defied the President who cried out that it was a national emergency. A "sympathetic" walkout robbed us of coal. In the end the President surrendered and if that's the type of labor policy we are going to have, it will take an aroused public opinion to change it.

The disposition, however, here now is to wipe the slate clean and start out on a war basis with everybody getting down to brass tacks. It is strange what a few bombs in the Pacific—two thousand five hundred miles away—will do to electrify a nation and step up the administrative works in Washington. War can do what exhortation in the era "short of war" never could do. We're on a war basis now and we'll at last become efficient.

December 15

It was a stiff price to pay—but unity came that way. Thus some day the historians of the present epoch will speak of last week's events.

For it is difficult to realize what a profound change the Japanese attack on Hawaii has made in American policy and American attitude toward things outside the United States. Suddenly the interest has shifted to every outpost whether American or British or Russian or Dutch or Chinese—a whole theater of war is envisaged and not merely America's part in the great conflict.

What happened on December 7 at Hawaii will be told and retold by those who witnessed it and by official reports. Nobody will deny that the American Fleet suffered a major defeat but what is going to prove more important is just how the United States Navy reacted to the blow and the things that have been occurring since December 7.

The public has been impatient to know the extent of the damage done. The Administration is criticized for not telling all. But the public doesn't yet perceive how important it is to conceal from the enemy exactly what did happen. It is no answer to assume the Japanese know just what battleships were affected. The fact is they do not know. They may see a ship go down, but they may not be sure which one. And it makes a great deal of difference whether a battleship of the 1915 class or one of the 1939 class is lost.

When a ship is damaged, it is important for the enemy to know exactly how extensive are the injuries and particularly how long it may take to make repairs. The Japanese naval command would like to know, too, just how long it will be before the ships are restored and if a ship of a certain type is damaged then it is obvious what the replacements must be.

Thus, undoubtedly, too, some big capital ships were ordered from the Atlantic to the Pacific the moment the Naval Command here realized last Sunday what had happened. It is important for the Japanese to know which ships and how many and where they are today. These are secrets which it is vital to withhold and that's why illogical impatience or curiosity to force the American Naval Command to tell what happened at

Hawaii is not in the public interest. It is urged that the British told promptly about the loss of the "Prince of Wales" and the "Repulse." But this has not always happened. The British for reasons of their own have often postponed announcement of naval losses in the past.

Certainly there is no purpose in concealment except strategic. The facts ultimately become known anyhow, but there may be great military advantage in waiting a few days, or even a month sometimes, so as to confound the enemy strategists.

The theory that a dive-bomber can make a direct hit and see what is happening and report back to his base may be true of a sinking, but it is not necessarily true of a severe damaging.

The President sent Secretary Knox to Hawaii to get the facts. It was essential that something like that be done because undoubtedly the public wanted a more thorough examination of civilian and military and naval losses than could be given in the normal process of official reporting. Mr. Knox has come back with the facts.

It is necessary to dispel the notion that the reason for withholding the story had to do with a fear of lowering American morale. On the contrary, the week's events have proved that America not only can take it but that the Hawaiian news has had an electric effect on the whole country. Enlistments have been stimulated to an unprecedented rate. Production hours have been lengthened. Congress has put through needed legislation. The whole mechanism of war preparation is moving with a spirit and a speed that have been hoped for but never attained in the last two years.

Some day the Japanese will look back on what happened on December 7 and they will recognize it as the greatest blunder they possibly could have made. For if the Japanese had pushed on in Indo-China and closed in on the Burma Road, the American people would have been divided in their opinions about going to the aid of the British land forces. It would have meant a bitter debate in Congress on what possible justification Amer-

ica could have for entering a fight nearly halfway around the globe.

But, ironically enough, thanks to the Japanese attack on Hawaii, the mask was lifted instantly from Japanese pretensions and the United States became a united nation overnight. Our great industrial machine began to move its gears slowly but surely and the tremendous man power needed to make weapons and create mechanized armies began to come into being. It was a stiff price to pay—those lost ships and heroic men at Hawaii—but unity came that way.*

December 18

Despite all the censorship and the mystery, there is very little about the war situation that isn't generally known unless it's the details of weakness of the United States from a preparedness standpoint to fight a two-ocean war.

Most all the cards are face up. The United States lacks enough ships to dominate both oceans and enough planes to dominate the air anywhere. The British-American-Dutch naval forces in the Pacific will eventually be reinforced from the Atlantic units in sufficient quantity to deal a powerful blow at the Japanese Navy. But this will not happen in a week or possibly in the immediate future but in the course of several months.

As for the mastery of the air, the United States and Britain lack "fighter" planes with which to protect bombers. These fighter planes are short-range weapons and cannot be flown directly to the important bases in the Pacific but must be transported in ships. Distances are big. It's five thousand miles from the Panama Canal to Hawaii and then it is a long distance from there to the Philippines or the East Indies. This means slow travel for ships.

It may be that the South Atlantic route with its regular

* This article was published verbatim in many newspapers at the time it was written.

flow of planes across from Brazil to Africa and then to the Far East may become a better system for relaying new planes than across the Pacific from our coast ports by air. A shuttle system from United States to Brazil and then Africa may prove a better scheme. This merely emphasizes the difficulties confronting us.

Until we gain mastery of the air as well as the sea in the Pacific, the man-power problem will not become acute anywhere. We cannot transport troops until the seas are relatively safe. Meanwhile men will be trained and more and more of the able-bodied will be called to the colors. But the prospect of a huge expeditionary force seems a year off anyway and perhaps it never will materialize. Some more troops may be needed in the outlying bases in the Atlantic and more in Hawaii. Seasoned troops will be sent to the outposts and the recruits will take up the slack in home defense and especially along our coast lines.

The biggest mystery at the moment is what Hitler has in mind. The Russian reports are being taken with a grain of salt here. The Russians are advancing but maybe Hitler has planned it that way as he transfers his attack. A thrust by Hitler down through Spain and Portugal with new airplane and submarine bases in the Azores as a means of bringing out cruiser raids and possibly aircraft carriers to harass shipping and attack United States territory may be in the offing.

Hitler must do everything he can to keep the United States Fleet dispersed all the time so it cannot do a major job in either the Atlantic or the Pacific. Certainly the Hitler strategy in the past would seem to indicate that the Nazis now may turn their energies to the Iberian peninsula, soon overwhelm both Spain and Portugal and grab the French fleet and possessions in North Africa. This is the development which is strategically logical and that's why it is most feared just now. Hitler certainly will give his ally Japan all the help he can in the Atlantic. For this reason, having gone as far as he can in pene-

trating Russia, and there being no way of forcing the Russians to surrender or give up the fight, Hitler can well afford to try to hold his winter line positions in Russia.

But the Russians may upset this strategy by discovering the Nazi weak spots. This would permit the British to reinforce them with air power sufficient to begin blasting Berlin from both the east and west.

The war is not likely to reach its climax so far as Japan and the United States are concerned for another several months but anything can happen before that time in continental Europe. As soon as Russia's position from a military viewpoint becomes clear, uprisings in the occupied countries may force Hitler to divert more and more men to handle the guerrilla warfare, especially in the Balkans.

The war machine in Washington will be overhauled. The President appointed a splendid board of inquiry to investigate what happened at Pearl Harbor. The trend is toward making every sacrifice to win the war. Pearl Harbor will long be remembered as the episode that made America take the war job seriously.

December 24

America is starting off very much as did Britain. Plenty of red tape, plenty of confusion and plenty of long-range confidence in the ultimate outlook, without much haste in getting under way for the immediate situation.

Coordination as between the allies has been naturally lacking. Until we became a full-fledged belligerent such cooperation as is necessary in war was impossible. Hence our naval forces are not yet working alongside those of Britain and the Netherlands in the way they will operate when the matter of unified command is settled.

Churchill was wise in hastening to Washington as soon as possible after America's formal entry into the war. Only in

Washington can the major decisions be taken, for we control the huge supplies and materials needed to equip armies, navies and air forces for the war no matter how long it is to last.

Last summer's Atlantic conference settled the general principles of Anglo-American cooperation but the effective working arrangements could not be made until now. The pattern of the last war is to be followed. America and Britain will each submerge their national feelings and submit to command by officers of other countries depending on the theater of war. America will probably command in the Pacific both naval and air warfare. In the Near East, the British will doubtless be in command. In the Atlantic joint American-British naval operations will be carried on with unified command close to European and African waters.

The strategy we are using in the Far East is a secret, and civilians can only guess that the main job is transporting equipment and planes and is not concerned about patrolling the whole Pacific to find Japanese warships.

The American people have had their attention focussed on the Far East. That's natural because American boys are involved in shooting war. But the big moves are still in Europe and Africa. Hitler no longer sees Moscow or Leningrad as a military or psychological objective. The action of the Japanese has changed the picture. Hitler doubtless wasn't sure whether the Japs would follow through on the urgings of his agents in Tokyo.

When the attack on Hawaii came, Hitler was ready to reverse his strategy. He now looks toward the Mediterranean—the western theater at Gibraltar and North Africa and the eastern theater in the vicinity of Turkey and the Caucasus. With Japan drawing British forces away from the Near East to reinforce Singapore and the Far East, Hitler sees a chance for another blitzkrieg. He is presumably coming down through Spain to Gibraltar and it may be that before long he will have air bases in the Azores. He is fighting a desperate battle and

he more than anyone else in Germany knows that in the next twelve months the war will be won or lost or stalemated for a long period of time. That's why he has taken personal command.

The Russians may yet upset the Nazi plans for an orderly retreat but it is thought by many observers in Washington that the Nazis cannot be checked off as a factor on the Russian front and that they can go back in the spring with another offensive if success comes to the Axis in the Mediterranean.

It is assumed that the Siberian army of the Soviets is not strong enough to take on the Japanese in Manchukuo, which would be the result of any use of Siberian bases by the British or the Americans. Help from Russia in the Far East will come in due time but hardly in the next few weeks.

Meanwhile Washington is talking a lot about labor peace and efficiency in production. But actually very little has happened since Pearl Harbor except a confidence here that more production and more labor peace will be motivated by the patriotic urge. America's potential capacity is big enough to win a long war but the war will be lengthened and made harder to win by the delays in getting started which already are apparent in the national capital.

December 31

How much Lend-Lease to Russia, how much to the Near East and how much for our own defense of the Philippines in the Far East and for an offensive against Japan?

These are the real questions bothering Washington. Litvinov, who believes that Hitler can be beaten primarily on the Russian front, naturally wants maximum help. He cannot as yet promise Russian participation in the war against Japan. It might cause a weakening of the Moscow front. Nobody knows, however, at what moment Japan may decide to force the issue by occupying Vladivostok.

The Churchill-Roosevelt conferences have to do with vital decisions of a long-range nature. Shall the Philippines be defended or the major effort concentrated on the protection of the Dutch East Indies? It's a big job for the combined British and American fleets in the Far East, which no doubt are being reinforced all the time. But when the big fleet is assembled where shall it be used first?

Obviously the results of the decisions will not become public. They are necessarily military secrets. The one thing that can be inferred is that the heads of the British and American governments are taking a long view of the situation and will not be stampeded into taking unsound steps because of public clamor for this or that kind of strategy.

Collaboration has been heretofore a vague kind of conference on intangibles. Today British-American collaboration is a concrete piece of action that means orders and instructions actually are flowing to the various commands from Washington with the approval of Roosevelt and Churchill. It was a piece of good fortune that the British Prime Minister could be here in person to make the big decisions.

Incidentally, Mr. Churchill has impressed official Washington, and this goes for all parties and factions. He has been a morale builder of incalculable value to the whole war cause. His long experience with the war itself, his calmness and confidence in the future are a needed tonic at this stage of the game as America sees herself defeated in the Far East for the time being.

The British Prime Minister wisely forestalled criticism that might be visited on Roosevelt by pointing out that diversion for our own use of Lend-Lease aid which went to Britain for the protection of the British Isles and for use in Libya would not have made possible the successful defense of the United Kingdom or the victories in Libya.

But now Churchill realizes that public sentiment as well as military necessity demands some diversion of American production to the Far East. So he is naturally worried about how much

will be taken away from European fronts. Mr. Roosevelt sees eye to eye with Churchill that the big chance to crack Hitler lies in Europe and that, if Germany cracks, Japan will be easy picking for the combined British and American naval and air forces. This is also the official Russian view.

Meanwhile the job for America to do increases. The arsenal of democracy now has to supply not only the European battle-fronts but the Far East and the Near East as well. And there may be a new front in Western Africa and Spain.

So the cry for greater production is not surprising. When the President calls for fifty per cent of the national income to be absorbed in war production he is setting a high goal but one that the Germans have already accomplished. It may be that America will not get beyond thirty per cent in 1942 but nevertheless, if the aim is fifty per cent, the whole program will be stepped up to a rate of speed hitherto undreamed of and hardly believed practicable.

The transition will be painful in many businesses and industries. But while these fundamental readjustments could not be made before December 7, they can be made now. The whole nation is preparing for sacrifices and drastic curtailments as well as high taxes.

Unfortunately, however, big production cannot be achieved by merely authorizing billions of dollars of contracts or by issuing exhortations. The task is one for the practical industrialists. And unhappily they have not had much power to influence decisions in the past. Industrial production is a job for industry and if the war is to be won the Administration will have to rely more and more on the experience of industrialists.

January 7, 1942

President Roosevelt did far more than to inspire the American people in his great address to Congress yesterday. He did a job that will eventually inspire the sensible elements of

even Germany and Italy and Japan to get rid of dictators and join the family of free nations.

The President adopted a technique with respect to the publication of production figures that is the very antithesis of censorship and suppression. He told the world what America is producing and expects to produce, what dollars it will spend and what man power it will mobilize. He did not reveal exact locations that might be of military use, but he did present the industrial program in a manner that cannot be misunderstood anywhere.

For the President is telling the world what America has resolved to do. And if, in the face of the avalanche of planes and guns and ships that is coming, the groups that hold power in Germany, Italy and Japan insist on prolonging the struggle into long years, it will only mean the gradual annihilation of huge sections of the human race.

In the last war the German people had won their big military victories. Their soil had never been invaded. But when the true nature of the American contribution became known, the German people got rid of their war lords and made peace.

The people of Germany, Japan and Italy cannot but learn sooner or later of the immense figures of war weapons constituting the American war effort. The propagandists in Berlin, Tokyo and Rome may scoff and say, "It is too late," but they will not be very convincing. For fortunately the arsenal of democracy is protected by two wide oceans and weapons of war can be built with relative immunity from attack. Enough defensive weapons are available already to make a defensive maneuver in 1942, but when 1943 comes the offensive will be undertaken.

Will the German people wait for the last card to be played when they know that in our hands are the trumps that will mean their destruction if the war is prolonged?

The length of the war will be determined, as the President

truly says, by the effort of the American people—"just as soon as we make it end."

By reversing the policy of suppression and telling the figures on America's war production plan, the President has set the pace for the country. From now on it would be of great value if the American press were permitted to check the production schedule or if the government would periodically announce how the schedule is progressing from month to month. If delays or interruptions occur, the corrective process of public opinion would then tend to remove the obstacles. There is inspiration, too, in a race that is being reported at every important stage.

The President's speech will tend to remove the discouragement which may have affected some Latin American countries. For while the United States has suffered reverses in Hawaii and the Philippines, it is an open secret that the reverses came from no failure in man power or machines that cannot be corrected, whereas the raw materials and the productive plants needed by the Axis Powers to equal those of the United Nations are simply not available.

In due time and in the long run, maybe a year and maybe two years, the United States will have enough weapons to cause consternation among the peoples of Germany, Italy and Japan. They will come to realize that resistance is futile and that the only way to peace lies in overthrowing their present leaders. It is to this goal that the American production program is moving. Hence the wider the publicity given the coming program the sooner will the news percolate through censorship abroad by word of mouth and by radio broadcast to the belligerent countries.

If the war production plan were to be supplemented now with a frank statement of what the peoples of Germany, Italy and Japan may expect in a general disarmament program, the tendency would be to make the price of surrender less burdensome than if the impression is created that the innocent popula-

tions of those Axis countries are to suffer. Resistance is always stimulated when surrender means destruction anyway.

January 8

Although nipped in the bud this week, the union labor leaders are still trying to inject themselves into the defense picture in such a way as to give them control of management. The excuse given is that production is a labor matter, too. Actually, beginning with the use of the slow-down strike, the C.I.O. has had a fundamental belief that labor should have a voice in management and should be permitted to regulate output.

The cry for industry-labor committees has been repeatedly raised by the C.I.O. in many a plan submitted to defense agencies. The matter came to a showdown when the OPM was persuaded innocently to call a conference of automobile manufacturers and labor leaders to discuss problems growing out of conversion of facilities. The C.I.O. led off with a full page newspaper ad denouncing the OPM for failure to convert automobile manufacturing facilities and blaming also the auto companies. Then came the meeting at which an agreement was reached between the representatives of industry and of the OPM, including Sidney Hillman and William Knudsen. But labor objected. It refused to assent to the idea that the industry-labor council should "recommend" or "advise." Labor said the committee must have power "to determine and put into effect methods, etc."

The OPM naturally was on the spot. Newspaper reports said industry was objecting. Just who issued this erroneous information is not yet known but Washington read at the breakfast table that industry was putting a monkey-wrench into the plan when in truth it was the labor bloc.

The OPM called in their general counsel, for it appears that all along these industry committees have been on an advisory

basis so as not to run afoul of the antitrust laws. If an industry-labor committee could "determine and put into effect methods" it could control or regulate output and this would be a violation of the law. If the group were made a part of the army or navy or of the government itself the case might be different, but private individuals cannot set up a council to limit production in any industry.

The meeting recessed on Tuesday night without agreement but during Wednesday it became known that the labor chiefs had receded. They accepted the idea that any committees would be "advisory."

The issue is not dead. The C.I.O. plan is to see established a committee in each industry with labor representatives thereon to "advise" on all questions irrespective of whether such questions impinge on management.

January 9

The President's victory program occasions little surprise. It has been talked about for a long time. What is more important is how such a program can be effectuated. To go from a spending of \$1,800,000,000 a month to nearly \$5,000,000,000 a month will require some highspeed awarding of contracts and some highspeed execution. Impediments of all kinds will have to be removed and management will have to get a better clearance than it has had thus far on many of the aggravating issues and the perplexing red tape that has held back production heretofore.

The general war situation continues to be one of underlying confidence in our ultimate success. It took time to bring about a synchronized operation of the British, Dutch and American fleets in the Pacific. It was not in effect before war was declared and yet it was an inevitable merger which was in almost everybody's mind. The loss of two or three weeks in consummating the merger is reflected in the Far Eastern naval and

military situation to date, but since democracies do not engage in actual war or alliances for military operations before they get formal authority from the national legislatures, the delay was unavoidable.

The game now is to delay and harass the Japanese fleet until a new front both naval and aerial can be established in the Netherlands East Indies. Operations will be slow. Successes should not be expected for a long time. The real battle is on production at home, where much planning and much organizing remains to be done before we will be getting the big quantities of war weapons listed by the President in his fateful message to Congress.

January 10

Unified command abroad but when will unified command be established at home? This is the all-important question which is widely asked in Washington today and on its answer depends whether the victory program of planes, ships and tanks will be attained or whether it will prove to be a victory program on order.

The Nazis are already telling their people that the program is fantastic. So are the Italians. The Japanese never believed the United States was as ready as it pretended to be in the Pacific. The American people, however, are being told again that everything will be all right in the long run—and it will be, but only after there is some housecleaning in high quarters here in Washington.

The real trouble is that the idea of a debating society exists where single administrators should be set up. The President has doubtless been too busy to get around to the job of organizing production and supply at home as he has been necessarily occupied with conferences with Prime Minister Churchill.

But the time is approaching when decisions will have to be

made. Thus the industry-management conference in the automobile industry proved to be a mere repetition of the New Deal and anti-New Deal conflict of pre-war days. The C.I.O. and now the A.F. of L. want the production program to be managed in large part by a council of equal number of representatives of industry and labor who will debate how production shall be secured. And yet when it comes to buying, these same labor leaders urge a central procurement agency outside the War and Navy Departments.

Mr. Roosevelt has asked Congress, too, to set up a single individual price administrator, but he has not yet tackled the question of divided authority and councils and boards in the defense agencies which ought to be headed up by administrators with definitely outlined authority.

The best thing that could possibly happen in Washington would be to put most of the persons concerned with the defense agencies into uniform and make them a part of the army and navy. Even the labor leaders ought to be asked to don uniforms and be given high rank along with prominent business executives, so that everybody would be integrated into the war program at the same basis.

The idea of preserving allegiances, either to labor unions or business organizations while a war is being fought, makes for too many complications and embarrassments. It is the duty of the War Department to decide what weapons it wants and when it wants them made. It is the duty of the War Department—and the Navy Department, too, for that matter—to issue contracts and place them where the work will be most expeditiously done.

The entrance of too many civilians with business and labor affiliations offers the same difficulty as the placing of political-minded persons in high office. The other day a Cabinet officer was given a list of prospective persons for an important activity related to defense and he is reported to have asked that

certain names be stricken from the list because the individuals were not "politically acceptable."

This sort of approach is bad for the consummation of any war program. Capitol Hill also has been interfering with the proper handling of defense contracts by attempting to satisfy this or that pressure group or organization or band of constituents. If this is a war such as the President describes, there is no room in it for politics of any kind, party politics or personal politics or group selfishness.

When will the President begin to develop a unified command on the economic front? Production is the all important thing in the second world war. Unfortunately there are too many signs that "reform as usual" and the "New Deal as usual" are considered important by persons high up in the Administration. Unless all Americans, irrespective of political affiliations, are treated the same and the same goal is held aloft—namely the accomplishments of the victory program—there may be sad news for the American people at the end of 1942.

The President has done a masterful job in international policy and in presenting the American case to the world, but he has yet to prove that he knows how to be a capable Commander in Chief at home.

January 15

Centralization of authority, long overdue, is offered to the American people at a time when criticism of the confusion and incompetence in Washington has been mounting. Donald Nelson is not the best man in America for production chief but he is the only business man hereabouts who has been sufficiently New Dealish to please the New Dealers and not too reformer-like to offend the business interests.

Mr. Knudsen has done a good job within the narrow confines of his particular bailiwick. The public has always had the idea that he had more authority than he really had. He

was only a conduit through which the New Deal Administration maintained contact with big industry. He never had anything to say about the broad economic policies of the Administration or about the many conflicts of authority that arose in connection with the defense program. Like a good soldier, he stayed out of controversies and tried to do a job.

When conflicts arose, as in the past they invariably did within OPM, there was nobody to resolve them. Mr. Knudsen didn't feel like interfering on matters that Mr. Hillman was handling—namely, labor supply and labor disputes—and Mr. Hillman didn't know a great deal about technical production problems. Mr. Nelson will make the decisions now.

Mr. Nelson has a reputation for careful buying and competent administration. He has been hamstrung by various factors here and he may finally develop into a decisive individual but up to now the belief has prevailed that he has not used as much authority as he had. Any new executive deserves a fair chance to make good and Washington is giving Mr. Nelson a vote of confidence at the outset.

Much unadulterated bunk has been issued in the last few weeks about the failure of the auto industry to convert its facilities to war purposes. This is simply the C.I.O. union leaders' method of presenting an alibi to the workers and to find a scapegoat for the present unemployment due to transition. If the auto production wasn't curtailed more sharply, it was due to labor union pressure for maintenance of jobs or else to failure of the Administration to get contracts awarded fast enough or production stepped up in other lines so as to absorb the automobile industry's labor.

Automobile manufacturers never made aircraft or tanks or ships before. They had to learn a new business. If it had not been for the cutting off of the rubber supply from the Netherlands East Indies due to war with Japan, the auto production would never have been completely curtailed until next June.

For the new plants weren't ready yet to absorb the auto workers.

The labor politicians are active. They have all sorts of plans to give subsidies and special privileges to idle workers. They seem to forget that auto dealers and others are not getting much relief.

The conception of the war effort as another WPA still prevails around Washington especially on Capitol Hill and in certain New Deal agencies. Little is heard incidentally about cutting down nondefense spending. Many agencies have discovered defense program alibis or are trying to get additional funds with defense and the war as an excuse.

January 16

On the broad outlook of the war, it begins to look as if the year 1942 will be almost entirely defensive and that offensive operations of a decisive nature need not be expected until 1943. Breaks may come before that. In fact despite the suspicion that Germany is playing some kind of a tricky game by letting out news about internal disorder, there is some reason to believe that the Nazis are by no means content with the situation that faces them now that the United States has entered the war.

No longer can there be dependence in Berlin on a knockout blow at Britain. The whole world is engaged now, and Italy and Germany are facing the natural and inevitable queries of their people who were promised a short war and an easy conquest. Russia's morale has improved as her armies have swept the Nazis back and the German high command has plenty to worry about in North Africa. Japanese triumphs were a lucky break for the Nazis but the sensible German must see the handwriting on the wall—and that's why pessimism from Germany cannot be restrained from overflowing the borders of Hitler's empire.

January 17

Mr. Roosevelt did put William Knudsen in uniform, making him a Lieutenant-General in charge of production for the War Department. This is a commendable move. In wartime it is desirable to eliminate civilians from actual management responsibility for military tasks and in this war the awarding of contracts and the supervision of the fulfillment job are pretty much military matters.

The real trouble the President is having is with our antiquated Cabinet system. Congress ought to create a ministry of production and define its duties in wartime and make the post equal in rank to or above that of the army and navy. Years ago a Cabinet post of national defense was urged as a means of unifying military and naval preparations. Such a post would today be in order, and then there would not be so much need for OPMs and OEMs and all the other agencies which have been created by Mr. Roosevelt in a sort of unofficial exercise of executive power. The British system permits of greater flexibility and a much more direct check of responsibility by the people on their public officials.

Mr. Nelson will do the best he can with the new executive order. He has been made production chief in theory, and the powers as written in that order are implicit rather than explicit. If the President backs him up and official Washington comes to realize Mr. Nelson is really a boss and can secure respect for his commands, it won't matter much what was written in the original executive order.

January 22

Paper authority aplenty has been given to Donald Nelson and for the moment he has public opinion back of him which means that he can run his own show. The erasure of the letters "OPM" and the substitution of "WPB" means

very little in a practical sense except some changes in subordinate personnel and in the titles of divisions and bureaus. What has actually happened is that Mr. Knudsen has been moved over to the War Department and Mr. Hillman has ceased to be co-equal to the chief of production and becomes now one of Mr. Nelson's assistants, and Mr. Nelson becomes boss.

So far as conversion of plant facilities is concerned, this will go faster now but not because of any new personnel. It is because the political or group interferences with production curtailment have lost considerable power since Pearl Harbor. Mr. Knudsen was telling friends a week or so ago that ever since the outbreak of war with Japan he was getting better cooperation all around both from labor and from industry.

Mr. Nelson has a tough job. The New Dealers will want to work into his organization so as to preserve "social gains" and it remains to be seen how far the new production chief will feel he has to fall in with the various labor schemes for industry-labor councils and similar devices looking toward the use of the emergency to exploit compulsory unionization.

The President can, of course, revoke any or all of Mr. Nelson's powers overnight and he can add personnel or take away some functions as the war program is evolved. But it begins to look as if the President realizes that the country will no longer tolerate interruptions to production or the partial failure of any of the major schedules for war production.

Mr. Roosevelt has many headaches to bother him nowadays. The civilian defense muddle is far from settled. The price control situation isn't clear yet. The debates over grand war strategy are by no means over. China is displeased with Secretary Knox's speech. There are murmurs about the way MacArthur is being left to fight it out alone in the Philippines. There is also an intense interest in what the Owen Roberts board will report on Pearl Harbor.

The President's prestige remains unimpaired by the failures thus far but if the war situation doesn't turn for the better an avalanche of criticism may arise, especially when the public learns the truth about the lack of preparedness for the Pacific war.

The censorship office isn't suppressing very much but the government departments have applied a concealment policy themselves on news which makes it unlikely that the progress of production will be easy to follow either from the standpoint of expenditure or conformity to the President's announced objectives.

Congress is not disposed to question the policy of suppression. Many things that ordinarily would cause sensations have been laid aside. The temper of the legislative body was illustrated to some extent by the minority members of the Vinson committee who asked to have deleted all reference to the way the strikes have delayed national defense, contending that criticism since Pearl Harbor happened is not pertinent and that the labor situation is all that could be desired now.

The House Naval Affairs Committee majority, on the other hand, felt in duty bound to tell the American people that strikes had been the greatest single cause of delay to the national defense program, that the problem should not be left to find its own solution, and that legislation forbidding strikes should be enacted.

January 26

While the Roberts Report on the Pearl Harbor tragedy primarily accuses Admiral Kimmel and General Short, it really, on careful reading, goes much further. The well-marshaled recital of sensational facts and circumstances indicts a system. And that system involves, by implication, as negligent the President of the United States, as well as the Secretaries

of War and Navy and the Chief of Staff of the United States Army and the Chief of Naval Operations.

For the report reveals that despite telegraphic warnings issued by Washington to the Hawaiian commanders in ample time, there was no follow-up, no check and double-check by high officials in Washington, to see if the orders to take proper measures of protection were actually being complied with.

From November 26 to December 7—eleven whole days elapsed. On the former date it was known to the President and his Cabinet that a stiff note had just been sent to Japan by the United States Government demanding in effect that Japan should virtually surrender in her war with China. It was a serious message to send to a first-class naval power and a serious decision. Unfortunately the contents of the note were withheld from the American people until December 7.

But the Roberts Report shows that Washington for some time had been sending grave warnings, and on November 27 and thereafter actually advised the commanders at Hawaii of impending war.

And yet nobody high up in Washington during those eleven days took the trouble to decide "whether Hawaii should be placed under 'alert number one' or 'alert number two' or 'alert number three,' or to find out just what form of alert was being ordered in Hawaii." Nobody in Washington took the trouble to ascertain whether the mechanical detection apparatus which warns of approaching airplanes was being operated in Hawaii for a few hours a day or for twenty-four hours a day, and nobody took the trouble to check up and see whether the army and navy commanders were in joint consultation daily on measures of adequate protection for Hawaii against surprise attacks.

This was Washington's job as it would be in any general headquarters responsible for operations in the field, where excellent communication facilities exist including the overseas telephone.

Why also were the cable and radio circuits out of Hawaii to Japan unwatched or still unrestricted after the critical decision of international policy was made on November 26? The Federal Bureau of Investigation is under the Attorney-General, who reports to the President. The navy intelligence officer wanted the FBI to arrest the two hundred Japanese spies, but the army commander in Hawaii intervened and prevented it. Why did no high official in Washington protest against this and by whom were the restrictions against counter-espionage imposed, and why didn't someone in the War or Navy Department in Washington insist that the President remove such restrictions after November 26?

Above all, why was it that even if Admiral Kimmel and General Short did not expect a surprise attack by air, nobody among the senior officers of either the army or navy in Hawaii argued for measures of greater protection against such a possibility? Why, inasmuch as Secretary Knox in January, 1941, and his aids in subsequent messages had pointed out the dangers of an air attack, didn't the high naval officials in Washington follow through and insist on measures of precaution and protection? What, too, was the nature of the reenforcements asked for last year by the army and navy commanders in Hawaii, and who in Washington made the decisions that deprived them of the weapons they needed? Who in Washington ordered or countenanced the concentration instead of the dispersal of airplanes at the Hawaiian air fields?

All these questions are pertinent and they go far beyond the apparent effort to confine the responsibility to Admiral Kimmel and General Short. There was, to be sure, a deplorable lack of coordination between the two. Each went his respective way. Each assumed the other was doing things he was apparently not doing. But isn't this the traditional system of separated authority in our army, navy and air force with no single command at our seaports or outlying bases? Isn't this, moreover, an outgrowth of the lack of a unified command

in Washington itself? Isn't too much responsibility always centered in the Commander-in-Chief of the Army and Navy, who is really the only official coordinator as between the two armed services, and isn't he also the President of the United States with a thousand and one things to do? The system of uncoordinated command in Washington and in the field is obsolete. Three thousand American boys have paid with their lives to establish that fact.

January 27

Why wasn't the fleet mobilized on November 26 or in the eleven days thereafter if the Navy Department considered the situation between America and Japan to be on the edge of war?

This penetrating question is being asked by naval experts after reading the Roberts Report. Admiral Kimmel and other officers in his command at Hawaii, it is related, were accustomed for many months to getting messages from Washington telling of the delicate relations with Japan, but there was always the caution expressed to them that the navy must take no steps to offend Japan or to produce an overt act.

This, it is argued, was one reason why all the naval officers at Hawaii almost without exception did not expect any form of attack. If Washington didn't see fit to proclaim a mobilization, the officers naturally believed the situation could not be as serious as represented.

The fleet was scattered on December 8. Some ships were on the West Coast in what might be termed recreational journeys and some were engaged in normal exercises.

It is not the business of the Commander-in-Chief of the Pacific Fleet to mobilize. These are orders which Washington is expected to send out. It may be that the court-martial proceedings for Admiral Kimmel will be welcomed by the latter because it will furnish an opportunity for all these points to

be thoroughly explored. That there are two sides to the story is generally conceded among naval men, many of whom are pointing out that it was the business of the army to protect against air attack and that the concentration of the fleet in Pearl Harbor was a policy determined upon in high quarters in Washington and not by Admiral Kimmel.

There are, in addition, many comments heard to the effect that Admiral Richardson should not have been removed from his command and Admiral Kimmel substituted, and that when the vacancy was created the right man to have succeeded him was Admiral Snyder.

Navy men on active duty cannot discuss these questions and yet in naval circles there are all sorts of reports to the effect that President Roosevelt himself had a hand in selecting these high officers at Hawaii and in resolving the conflicts of view as to whether the battleships of the fleet should be concentrated in Pearl Harbor.

If a court martial is held or congressional inquiry to follow through on the Roberts Report, it must logically take up the errors of omission and commission by everybody who had anything to do with naval policy. It would appear that such a court martial or inquiry during the war period would be difficult to conduct without taking active officers away from their duties. Postponement of the whole inquiry to some more favorable opportunity may be the best way, provided steps are taken promptly to correct the errors that are known to have been made.

One of the things Congress can do at once is to provide the navy with a general staff. Under the present organization the eight bureau chiefs report to the Secretary of the Navy. Also the so-called general board is only advisory and not an operating body.

But while an operating staff for the navy to help Admiral Stark is essential, so is an operating chief for General Marshall in the army. If a record of what both General Marshall and

Admiral Stark have had to do in the last few months were compiled it would be found that they do not have time to administer their respective departments, perform the many functions of contact with Congress and domestic phases of their work such as the mobilization and equipping of a draft army or expanding navy, and still give thought to overseas operations day by day and hour by hour.

The lessons of the Roberts Report are numerous. If they are taken to heart, the country will benefit but with army, navy and air forces still operating independently under a vague formula of mutual cooperation, there must be further risks in store for our troops and sailors.*

January 28

Although the Roberts Report carefully refrained from commenting on what might be called our naval policy in the Pacific, the official records of hearings in Congress and articles written by naval officers familiar with the Far East show that advice given repeatedly has been ignored by the highest officials of our government.

Thus, for example, Admiral Joseph K. Taussig was reprimanded and denounced for his outspoken views before the Senate Naval Affairs Committee in April, 1940. He has now been retired and is one of the few men of virile physique who has not been called to active service. He bids fair to become another Billy Mitchell in the military annals of America, for his point of view has been vindicated by the story of inefficiency and lack of preparedness revealed in the Roberts Report.

Admiral Taussig advocated that if our battleships were based in Hawaii, a strong scouting fleet should always be maintained in the Philippines. Had this been done the Japanese Navy, it is now argued, would never have dared to venture so far

* This article was published in the press on this date.

from the Japanese mainland with its aircraft carriers and fleet units, as it did on December 7, and the days immediately preceding.

A re-reading of Admiral Taussig's testimony before the Senate Naval Affairs Committee shows that he begged for a sound naval policy and fleet protection for the Philippines. He had for many years been a member of the staff at the Naval War College and served not only as Chief of Staff to the Commander-in-Chief of the Pacific Fleet but as assistant Chief of Naval Operations in Washington. His blunt statement to the Senate committee on April 22, 1940, which caused a sensation, was as follows:

"We need be under no delusions as to the aims and policies of Japan. The pronouncements of her statesmen in answer to protests against violations of rights of other nations are of course worthless. The real policies of Japan are embodied in the declarations of her militarists during past years and it is these policies that are being carried out. . . .

"The first step in their plan is the domination of the Far East. This is under way at present with the subjugation of China. The Philippines, Netherlands Indies, French Indo-China and Malaya will be taken over in due course of time. Russia is to be driven westward of Lake Baikal.

"The above is a very grandiose plan and much may happen to interfere with its accomplishment. The fact remains, however, that it is a plan which is under way in the hands of a determined warlike people, armed with modern weapons, with little or no effective opposition. Past treaties, rights of neutrals, rules of civilized warfare as we understand them are brushed aside and ignored in the furtherance of the plan."

Admiral Taussig urged not only the immediate enlargement of the fleet but the building of "an impregnable base in the Philippines and the fortification of Guam so as to make its capture impossible." He advocated an immediate agreement with Britain, France and the Netherlands for the use of their

bases in the Far East. At that time France had not yet been subjected to the blitzkrieg.

The Admiral did not think a two-ocean navy would be built right away, but argued instead for an alertness and proper preparedness on the part of the fleet units that we did have. His theory was that prompt cooperation with France, Britain and the Dutch would have furnished a sufficiently large force to take care of any immediate situation in and around the Philippines.

It is Admiral Taussig's views on the proper distribution of the navy, however, and what he terms the organization of the fleet that will stand out as lessons which, if accepted, might have averted the tragedy at Pearl Harbor.

Incidentally the son of Admiral Taussig was seriously wounded in the attack on Hawaii.

January 29

The Pearl Harbor wound will be open for some time. It may be benumbed by news from other parts of the globe but the basic weaknesses revealed in the Roberts Report will remain until curative measures have been taken.

The primary defect is on the managerial side. Business has a system of checking and double-checking where vital matters are concerned but it seems Washington has for years been contemptuous of the management function and that's one collateral reason for the lack of administrative efficiency in the whole set-up. It's an attitude of mind which takes efficiency for granted and assumes that the other fellow is doing something which a checkup might reveal he isn't doing at all.

The army and navy from a fighting standpoint are good. From an administrative viewpoint there is much to be desired. The distribution of authority, with the customary expectation that "mutual cooperation" between the armed services will

take care of what a single boss must take care of, is still in effect.

The Roberts Report has caused a great deal of talk on Capitol Hill, where there is a disposition to blame the President and his Cabinet as well as the local commanders in Hawaii. Congress, however, is also to blame for failing to check through with its committees during the last two years on the efficiency of the administrative side of the War and Navy Departments.

Meanwhile, the Donald Nelson set-up is getting off to a fairly good start in the sense that every bit of clarification of authority is helpful. The changes in personnel are relatively few but the determination to let Nelson run the show disposes of the two-headed management which broke down OPM.

The production schedules are going along better and better. Our Flying Fortresses are coming out ahead of schedule in some of our big plants. Progress toward conversion of the auto industry is about as good as can be expected with the inevitable delays incident to a major transition.

The biggest developments are ahead. Our land and sea and air forces are being distributed to the far corners of the earth and should shortly be taking an active part in driving the enemy back. It is not yet possible to foretell when the turning point from a defensive to an offensive war will come. But the Japanese advance may be stopped long before America and her allies are in a position to start a big offensive.

The emphasis lately has been on the war in the Pacific but military men are beginning to talk of Hitler's spring plans. It is assumed he will have made enough equipment during the winter to start another blitzkrieg in April or May. It is possible that Hitler will come down through Spain toward Gibraltar or that he will move through Turkey, but one thing seems certain, namely, that he does not have as yet enough air power to start a counter-offensive against the Russians and move toward the two ends of the Mediterranean at the same time.

The possibility of a Japanese attack on Russia in the spring is discussed on the assumption that the Japs will take Singapore and the Philippines in the next few weeks. While Japan is anxious at the moment to keep Russia neutral, this is taken to mean that the Tokyo Government wants to preserve for itself the opportunity to take the initiative. The fact is, war between Russia and Japan is considered inevitable before the present World War is over.

Possible entanglement of Ireland is also forecast. The American Expeditionary Force went to the north of Ireland to be able to protect a base from which air and naval operations can be conducted in the Battle of the Atlantic and also to thwart any emergence of the Nazi battleship "Von Tirpitz" or other raiders into the shipping lanes. But eventually it may mean American occupation of bases in southern Ireland, especially if the Nazis start bombarding ports in the other parts of Ireland.

While bad news is intermingled with fragments of good news from the Pacific, the general underlying confidence of a major triumph for the Allies is growing to the point where many are beginning to think of 1943 as the decisive year of the war and possibly the year of its end.

January 30

Secret diplomacy and the suppression of vital news of what the Japanese and American governments were doing may have been a contributing cause of the Pearl Harbor disaster.

Despite the fact that the American Government traditionally has been the champion of open diplomacy and despite the pledge publicly given by President Roosevelt that he would keep the leaders of both parties in Congress advised of critical moves in the international situation, it is now possible to state

that no such communication was made relative to the all-important note of November 26 sent by the United States to Japan.

Senator Connally, chairman of the Senate Foreign Relations Committee, when asked whether he or any other member of the committee knew of the firm note of November 26, stated to this correspondent that he did not know about it until he read it in the press just after Pearl Harbor was attacked.

There is nothing to indicate that the Senators would have disagreed with the policy of firmness in dealing with Japan or that they would have disapproved of the contents of the note, but it is interesting to consider what would have been the effect on the American people and hence on the entire army and navy, including those stationed at Hawaii and the Philippines, if the document had been given to the press on November 26.

Assuming that the Japanese ships were out at sea and waiting for orders to move closer to Pearl Harbor, would not the American military and naval forces have realized that America was on the verge of war after reading the note of November 26? This is the question which historians may be asking and which defenders of a policy of open dealing with the people of a democracy through the press, as contrasted with a hush-hush and suppression policy, may exhibit as an example of tragedy that came because the facts were withheld.

What would have been the public reaction if it had been revealed that the United States Government had formally demanded that Japan withdraw from China and recognize the Chungking Government? This demand is believed to have aggravated an already tense situation and proof of this is to be found in the bitterly phrased note of the Japanese which was handed to the American Government on the very day of the attack on Pearl Harbor. The Roberts Report says the Japanese Government planned to sever diplomatic relations

at one o'clock Washington time and attack simultaneously. The Japanese plan for synchronizing the steps apparently went wrong, but that Japan was smarting under the American note cannot be doubted from the following language of her reply:

"The proposal in question (America's suggestion that Japan withdraw from China and recognize the Chungking Government) ignores Japan's sacrifices in the four years of the China affair, menaces the empire's existence and disparages its honor and prestige."

Anybody familiar with Far Eastern affairs must have known that such a demand as America made on November 26 would make the Japanese angry. It will be argued that they deserved such a blunt statement, but can it be argued that when such a serious decision was made it should have been kept secret and not given to the armed forces of the United States and the American people, as well as the Japanese people? The policy of suppression played into the hands of the militaristic clique in Japan and deprived the American Army and Navy officers of information which would have impressed upon them the necessity for being on the alert during the eleven days that elapsed between November 26 and December 7.

It will be said that the note was withheld for fear of offending Japan. But the speeches made by American official spokesmen which were published in Japan during the last week in October were not inhibited by any such considerations of international etiquette or diplomatic restraint. The fact remains that America drifted into war without the influential leaders of either party in Congress or the American people knowing the contents of a decisive note until eleven days after it had been sent, and an open record of what happened is important while the incidents are fresh in the minds of those familiar with the sequence. As the events of war multiply, sometimes incidents of this kind are forgotten or lost in the confusion of vague recollections.

February 5, 1942

Suppression of news has much to do with the unduly optimistic picture of the war situation which the public happens to have today. Sporadic triumphs here and there are headlined and overemphasized only because the tragic facts about the Pacific situation and to some extent the European status of affairs are withheld.

Censorship at the source rather than through the censorship bureaus is what keeps the public from knowing what has happened. The executive agencies are withholding the news. Many members of Congress talk among themselves about the precarious situation in which we find ourselves in the Pacific but they keep silent on the floor. The reason for the censorship isn't always easy to find. Perhaps it is because the government here doesn't want the outside world to know at this time the mistakes that have been made. Perhaps it is because recent changes and rearrangements of our forces are expected to change the nature of the tidings soon, and later there may be a more opportune moment for disclosure. But the fact is that we shall be many weeks, if not months, getting the upper hand in the Pacific.

Meanwhile a school of thought is beginning to arise which reasons that our campaign should not be waged so much on defensive lines but on an offensive basis and from China as a base. To what extent considerations of international politics have entered into our recent decisions to concentrate on the South Pacific as distinguished from cold-blooded strategy that might favor the North Pacific time alone will tell. Undoubtedly Pearl Harbor put a monkey-wrench into all preconceived plans for grand strategy in the event of a Japanese-American war.

Congress is restive. It is being blamed for failing to appropriate for the fortification of Guam. Senator Walsh of Massachusetts, Democrat, who is head of the Naval Affairs Com-

mittee, says no direct request for that appropriation was ever received from the executive branch of the government.

But even if Guam was fortified, could it have been of much avail if the American fleet was "crippled for the time being" as Winston Churchill said on his return to London?

There are evidences that changes in the naval and military set-up have been made with a view to making the high command more effective. Also, now that war has come, many plans for mobilization of energies which could not be consummated while we were technically at peace have been put into effect.

Time and distance have been working against us in the Pacific as the Japanese have reached out in several directions. It will be the end of February before the bulk of what we shipped in December will be getting to destination if the destinations are as much as ten or twelve thousand miles away. By the middle of March, Americans may be giving a more effective account of themselves. Until then we shall be lucky to hold our own.

One encouraging thing is the way war production is moving. Much red tape is being cut. Impediments are being removed by Donald Nelson almost as fast as he can learn what they are. He is tackling his job aggressively. Industry is moving rapidly too. The war spirit seems to have affected everybody including the labor unions which since Pearl Harbor have called hardly any strikes. Some slowdowns have occurred, but these are local in nature and do not represent any national movement.

Business dislocation due to enforcement of priorities and rationing is perhaps at its highest point right now, for the auto industry—biggest of them all—is being adapted to war uses. And when the job is finished it will be found that the auto industry wasn't "converted" very much but that new plants and additional facilities were provided and that many of the old tools and machines were stored. One shudders to

think of postwar reconstruction with an auto industry that may take a year to get going on manufacture of new automobiles as workers idly wait for the plants to be rebuilt. But that's a hazard of war.

The immediate picture is not rosy on the various battlefronts. The long-run picture is rosy only because we are confident that, whatever money can buy or energy and machines can make, we shall produce; in due time the impact of our might must be felt even as enemy nations one by one collapse from within.

February 10

The United States produced more airplanes in the month of January than in any other month in its whole history—more indeed than in any preceding month since the defense program started.

The exact figures cannot be disclosed. But it may be said with confidence now that President Roosevelt's goal of sixty thousand planes this year is well on the road to fulfillment. This astounding total of planes for 1942, if realized, will doubtless be twice as much as any other nation or combination of nations ever produced before in a single year.

Credit for this phenomenal production in January goes to many different factors in American industry, but it goes beyond a doubt primarily to one man—William S. Knudsen, who, despite the sniping and the undermining in official Washington, stuck to his job and laid the foundation for the finest production effort America has ever known.

Mr. Knudsen was made the goat for refusing to accept the so-called Reuther plan, which was primarily a scheme to impair the management function by an experiment in joint industry-labor committees of the type associated with the corporate state in Europe.

Because Mr. Knudsen refused to accept the Reuther plan

he was kicked upstairs, so to speak. President Roosevelt is supposed to have done this in order to placate the C.I.O. automobile workers' union which claims to be a powerful influence in the Roosevelt Administration. This comes on the authority of R. J. Thomas, president of the United Automobile Workers Union of the C.I.O., who, in a speech last week-end to union delegates at Detroit, said:

"Mr. Knudsen never represented the people of this country. He represented the automobile industry. The United Automobile Workers can claim some credit for making Mr. Knudsen a Lieutenant-General, which really means he is a first-class inspector."

The innuendo that Mr. Knudsen did not serve his country and that labor leaders have enough influence to remove the co-chairman of the OPM in wartime is one that will not be forgotten by disinterested folks when the facts and figures on what was accomplished during Mr. Knudsen's régime are officially revealed to view. January's record alone is enough to earn for him any Distinguished Service medal within the gift of the government.

For Mr. Knudsen had a difficult job to do in laying the foundations for the enormous production that is now coming off the assembly lines. He was by no means political and as an administrator of Washington red tape he was far from efficient. But as a production man he came up to the fine compliment that President Roosevelt paid him recently when he spoke of the former General Motors President as the finest production man in the world.

Many observers may have thought at the time this was extravagant praise, but the production record will bear it out.

Not only in planes but in tanks and in airplane engines and in many other important factors of our armament program, American industry began forging ahead of schedule in December and kept on going upward in January.

Mr. Knudsen himself said in December to friends that im-

mediately after Pearl Harbor there came a jump in production which indicated that slow-downs and labor friction had been almost completely eliminated. In certain bomber plants the jump in production in December and January was truly phenomenal as compared with previous months. The morale of the American worker rose with the outbreak of the war. Industry and labor would do an even better job were it not for the professional unionneers who feel they must constantly justify the high salaries they take out of the workers' initiation fees and dues. They feel they must be always hammering away at the employer. President Thomas of the automobile workers' union said, for instance, last week in his speech at Detroit:

"I don't pretend to be a prophet, but I predict that the present set-up in government will not work and that within the next year labor will be given genuine representation. Only in that way will our supreme war effort be made."

But Mr. Thomas is wrong. The supreme war effort is in process of being developed, and his philosophy of pessimism on production is contradicted by the facts and figures which it is regrettable cannot yet be made public.

February 12

An over-all picture of where we are in the war situation requires a balancing of good news with bad, short-range with long-range perspective. The immediate picture isn't good and carries with it many painful factors. The long-range view is one of certain victory but at a cost of men and money that the American people little realize.

For it may be taken for granted that the United States will neither accept defeat nor a stalemate and will use all her resources if necessary to win out no matter how long it takes.

What the headlines tell us today, this week, this month merely enlarges the task that lies ahead and lengthens the war.

But it is important to bear in mind that the war in the

Pacific has been studied and restudied from a theoretical angle for many years and that what is happening now is in part what always has been expected in a war between ourselves and Japan.

For one thing, the naval experts have always said that a war against Japan would be a far-flung affair and that it would consume considerable time and money. Thus it has always been questioned whether the Philippines could be held. Likewise from the beginning of this war the fact that the British did not have ample air power for themselves quite clearly indicated that they did not have ample air power to protect Singapore or the Dutch East Indies.

But just as air power now obtains bases for Japan so air power plus ample sea power must some day dislodge the Japanese from their bases one by one. The war will ultimately operate in just the reverse order that it has operated to date unless, of course, internal collapse comes first in Japan as a consequence of the war of attrition now being fought.

The advantage of internal lines and sea lanes is now with the Japanese just as it is with Hitler. But the disadvantage to Japan of being cut off from sources of supply and raw materials is one that is not offset by the extension of one's lines of communications. Japan may acquire title to rich raw materials in the Indies but it is quite another thing to transport such supplies back to Japan to be fabricated into more planes and ships. Japan does not have the industrial capacity to make use of the materials gained in her territorial conquests.

We must, therefore, bide our time and accept the bad news with a feeling of renewed determination to get the industrial program going faster and faster.

Industry is doing a magnificent job but can do better. The plane production in January of all types, military and training, was a record-breaker. It means we are stepping up the monthly production rate so that the desired five thousand planes a month for 1942 will be realized in another four or five months.

We are building guns and tanks and ships at a pace hitherto undreamed of. True, we should have done all this before and that we need only a fraction of this plane production in the Far East now to turn the tide. But the planes simply aren't there and we might as well make up our minds to the fact that virtually all of 1942 will be spent in wearing out the enemy, giving ground, retreating but fighting a defensive war that still does not make it possible for either Germany or Japan to gain a victory.

The magnitude of the area of war operations makes it difficult to convey a true impression of the pace of the war. The Japanese have a base of supply and millions of tons of shipping and a powerful navy and a fair-sized air force on the scene. It doesn't matter that we have a bigger navy and a bigger air force employed elsewhere. The fact is Japan has the advantage at the moment. But as time goes on that advantage will be gradually cut down and we shall be using our navy to harass Japanese sea lanes and extended lines of communication.

The production job is going ever so much better than before Pearl Harbor. Labor disputes are fewer and red tape is being cut more and more every day. The American people will have to grin and bear it for a while but by the end of 1942 the story will be different.

February 17

The American people are indebted to Prime Minister Churchill for having told them the essential facts about the present-day war situation which previously had been denied them by the American Government.

Mr. Churchill frankly acknowledges that the disastrous defeat of the powerful American fleet at Pearl Harbor made it possible for Japan to overrun the Philippines, the Malay Penin-

sula and Singapore. He declares that the American shield of sea power in the Pacific has been "dashed to the ground" but "only for a while." He leaves no doubt, however, that had the Pearl Harbor defeat not occurred there might have been a different story to tell in the Western Pacific.

From the lips of no American spokesman has so clear-cut a statement of the war situation as it affects the United States been obtainable. It has never been admitted here that the Japanese struck a devastating blow. On the contrary, news has been given out lately concerning the excellent raid carried on by American ships on the Gilbert and Marshall islands, with the purposeful idea of conveying the impression that somehow that which happened in the latter islands may be deemed to have offset Pearl Harbor. Mr. Churchill's exact language is worth noting. He said:

"The immediate deterrent which the United States exercised upon Japan, apart, of course, from the measureless resources of the American Union, was the dominant American battle fleet in the Pacific, which, with the naval forces we could spare, confronted Japanese aggression with a shield of superior sea power.

"But, my friends, by an act of sudden and violent surprise . . . the shield of sea power which was protecting the fair lands and islands of the Pacific Ocean was for the time being—but only for the time being—dashed to the ground. Into the gap thus opened rushed the invading armies of Japan. . . . The overthrow for a while of British and United States sea power was like the breaking of some mighty dam. . . . No one must underrate any more the gravity and efficiency of the Japanese war machine."

There in plain words is the story which has been withheld or suppressed on the American side of the Atlantic ever since December 7. It isn't so important to know now just how many battleships or cruisers or destroyers were sunk or dam-

aged in Pearl Harbor. It is important to know only that Hongkong fell and Manila fell and Singapore fell each in succession, and that the string of Japanese occupations has not yet ended, all because the American battle fleet was concentrated in Pearl Harbor and was caught napping in one of the most humiliating defeats any navy has suffered in all history.

The tendency here in Washington in official circles is to soft-pedal any reminders of this event. The idea is to forget what happened and to look ahead. It is important, of course, in any war to obtain and maintain a sensible perspective. America has not lost the war because of the defeat at Pearl Harbor, but America and Britain have suffered a severe setback in prestige and it will cost many American and British lives to restore Britain and America to dominance in the Pacific. It will also take a long, long time.

Under such circumstances is it patriotic to accept the past silently and do nothing about correcting the mistakes of leadership or the removal of those who underrated Japanese naval and air strength or is it better to insist that the best strategists in the American Navy and Army and Air Forces shall be given full command without civilian interference or political inhibitions? This is a question for public opinion to decide. And thus far the Administration has covered in a cloak of secrecy all information concerning remedial measures that are supposed to have been taken since December 7. All the outside world can do is to hope that the lessons of Pearl Harbor have really been taken to heart. The tendency here, however, in official quarters is to cover up the mistakes of the past so that the news of the gravity of the situation comes from a spokesman three thousand miles away rather than from any authorized source in the American Government itself. Small wonder there are complaints about the "complacency" of the American public toward the war.

February 19

More than ever before, every day's news points to the fact that the question of whether America will win the war had better be phrased, whether American industry will win the war.

The job is primarily one of industrial production. On paper, victory can easily be worked out as a long-range proposition. We need more than eight million tons of new ships a year, more than sixty thousand planes a year and more tanks than any nation or combination of nations has ever built in a single year.

With such huge production we can win. Man power in this war is relatively small. The entire Japanese invasion of the last two months in the Southwest Pacific has required less than five hundred thousand men. So it's the output of our factories and mines that is needed to win.

Next to the figures of production required is the question of when deliveries can be made. It's a battle against time. Japan and Germany have less steel production than we have, less airplane manufacturing capacity, less of almost everything. If we concede that this is a war of mechanized weapons and that all victories thus far have been won because the Axis had them and the Allies didn't have them on the spot at the right time, then the outcome of the war may be predicted on the fact that the combination of nations with the maximum industrial resources must eventually win.

There is another factor—skill in the use of the weapons and the necessary genius of organization. The Allied command has been full of dead wood and incompetents. They are being weeded out. Public opinion will insist on still more weeding out.

Some time during 1942, Germany and Japan will reach their high point of success in this war. More conquests and victories are therefore in store for the Axis powers in Asia and Africa

and possibly in Russia, but before the end of this year the tide will begin to turn. In 1943 it will turn more rapidly in favor of the Allies because the merchant shipping we will then have available will be ready to carry the supplies to the war areas where needed.

Japan today has about five million tons of shipping. She cannot replace her losses because she doesn't have sufficient materials available. Nor can she get materials from Germany. Japan's newly acquired air bases will make it possible for her to resist counter-invasions for awhile, but this will not last beyond the end of 1942.

This war should reach its decisive stage when American industry begins delivering really vital quantities of weapons and munitions—by the end of 1942 and the beginning of 1943. From that time on, the Allied nations will be delivering powerful blows by air and sea and by land and on many fronts.

This war should not go beyond 1944. It may drag on to that year only because of inadequate mobilization or inexcusable delays in production on the Allied side. The war may end sooner—if collapse comes internally in either Japan or Germany. The last war did not end in a complete military triumph for the Allies. The German nation collapsed before German soil was invaded.

The same thing might happen this time. Economic resources on the Allied side and lack of economic resources on the German side lost the last war for the Central Powers. History will repeat itself because America and the countries of this hemisphere have the materials and the industrial equipment to carry on the very kind of warfare that now has become dominant—the war of the combustion engine on land, sea and in the air.

Japan is winning now because it takes at least three months and plenty of shipping protected by plenty of aircraft to carry fighter planes, airplane parts and ammunition from America to strategic spots to combat the enemy. But when

materials are transported and accumulated, together with the necessary man power, the inevitable defeat of the Axis will begin.

It's painful to see months go by during a defensive war, but seven years of unpreparedness cannot be retrieved in a year. It will take until 1943 for our full industrial might to be mobilized and then victory will come. For the myth of Nazi invincibility has been destroyed by Russia. Confront the Nazis with more tanks and more weapons than they possess and they, too, receive mortal wounds.

February 26

Could anyone foresee the outcome of the summer months, the whole course of modern history might be foretold. In those critical months, the war can be lost by the Axis in the sense that failure to attain objectives may mean a prolonged struggle in which the process of attrition must work inevitably toward Nazi-Japanese defeat.

But in those critical three months also, the Nazis and Japanese can get a strong enough foothold to bring about a virtual stalemate for the next three years and make the task of the United States even more difficult than anybody now envisions.

Prime Minister Churchill, in contrast to President Roosevelt, speaks gloomily of the future. Mr. Roosevelt asks the American people to think of an early turn in offensive operations. Obviously each is thinking of a different thing. Mr. Churchill foresees defeats in Burma and possibly India as well as in the Near East. He knows the enemy has better bases and more man power and weapons.

The President, on the other hand, is doubtless thinking in terms of a naval offensive, more raids like that in the Gilbert and Marshall islands and perhaps some successful bombing operations in the Southwest Pacific with Australian or New

Zealand ports as the bases of our naval and aerial effort. To the American people an offensive means cracking away at the Japanese strongholds. To the British an offensive means invasion of Norway or similar operations in the Mediterranean theater.

The Russian situation, despite the announced successes of the Red Army, is still an enigma. Although in many respects the advance dope about Russia's military strength was wrong, the experts still maintain that a true test of Russia's capacity to resist the Nazi armies can come only when the weather is like it was last summer. At that time the Nazis rolled back the Russian Army by means of combined air power and tank power at a rate of progress which far exceeded the speed of the Nazi retreat during the present winter months.

While the Nazis may make considerable gains this spring, the long-range futility of it may begin to make an impression on German morale. Of what avail, the German people may ask, is it to gain hundreds of thousands of square miles only to see the same territory lost in the winter months and hundreds of thousands of lives and an incalculable amount of equipment destroyed?

This sort of seesaw warfare does not knock the Russians out of the conflict nor does it enable Hitler to concentrate on other battlefronts. The danger that Russia may feel she has had enough and make a separate peace is considered possible but not believed to be a probable result. Rather is it thought that Russia will be kept in the war by Japan who may unloose some of her air force and some of her Manchurian armies for a simultaneous attack this spring on the Siberian front as Germany hammers away at the other front.

Hitler has been using every available human being—prisoners and even soldiers—to man the factories so as to get more tanks and airplanes and submarines built for the spring offensive. The expectation of the Nazi high command that submarine warfare would starve out England stands no chance of realization now. The American-British naval patrols are sufficiently

effective to prevent such a contingency. Losses to our tankers and merchant ships will be considerable but our replacement program is coming along at a sufficiently fast pace to offset sinkings and yet make real gains. We shall see a large tonnage loss for the next three months but this will not average out for the year as anything perilous for Atlantic shipments.

Our production lines will need acceleration. The next drive is going to be to remove labor friction, antitrust impediments and other obstacles that slow up the works.

While the tendency today is to fear the worst in the next three months in military and naval operations, there is always the remote possibility that the German people will grow dispirited by the seemingly endless conflict. They may see less and less chance to enjoy the benefits so glowingly promised by Hitler. A sudden ending of the war is just as much of a possibility as a sudden turn for the worse in Allied operations.

February 27

What is the duty of the critic of government in wartime? President Roosevelt in a sense raised this very question by a passage in his fireside chat recently, when he said:

"In a democracy there is always a solemn pact of truth between government and the people; but there must always be full use of discretion—and the word 'discretion' applies to the critics of government as well."

The foregoing might also be supplemented with the statement that the critics, if they are conscientious, must feel constantly that in a democracy there is always a solemn pact of truth between the millions of inarticulate persons who depend on them for their information and those who endeavor to tell them the truth as they see it at first hand, whether it is in the battle lines or at the seat of government itself.

There is, as a rule, nothing personal about criticism of government in the press. Most critics do not consult their personal

likes or dislikes and, as for ease and the line of least resistance, it would be far easier to remain passive and acquiescent than to criticize.

Now the criticism of an Administration either has a beneficial purpose in preventing further defeats or it just stirs up disunity. Many people think that discussion of mistakes means merely a stimulus to disunity. What they do not realize is that criticism of the mistakes made before and at Pearl Harbor did more to stir up a sense of responsibility in government than if truth had been suppressed.

What almost everybody who is fair about it knows is that Mr. Roosevelt is neither by temperament nor experience a good administrator. He is reported to have once admitted this himself. Nor is the lack of this kind of ability a reflection on him. For his genius lies in other fields of leadership. Yet it is all the more essential that he recognize his own weaknesses and bow to them rather than let matters of pride or sensitiveness about the feelings of his friends become the criterion of inaction.

One single day's events—the happenings of December 7 last—do not suddenly transform a President from a poor to a good administrator. Rather do such serious events all the more make necessary a revision and a reorganization that will put the ablest men into key positions—the ablest men irrespective of party and irrespective of past grudges. This is true greatness.

The responsibility of the critic is to point out the errors until correction is made. The aid and comfort that can be given the enemy by sheer incompetence or neglect in governmental office is far greater than can be given by scattered criticism in the press. The fathers and mothers of the 2,340 boys who died at Pearl Harbor will bear their grief far better if they can feel sure that other American boys are not going to be sacrificed by similar mistakes. And until the dead wood is removed from top places in the army and navy, until merit

and efficiency count more than personal favoritism or political pull, and until the politicians stop coddling the farm and labor groups and forget their own political fortunes and concentrate on winning the war, the danger of disasters and defeats will not be diminished.

This is indeed a time for solemnity and discretion and a sense of responsibility, indeed a time for fervent prayer that God will guide the President of the United States to make himself accessible to all kinds of opinion without resentment and to do his duty no matter what the cost either to pride or to hurt feelings. For this is war and the mothers and fathers of the 2,340 dead, as well as the mothers and fathers whose sons are about to face the enemy, are entitled to that kind of a solemn pact between the government and the people.

March 4, 1942

To describe the Washington mood and atmosphere as in any way comparable to that which prevails outside the national capital is to present an inaccurate picture. For here in Washington fluctuations in the curve of optimism and pessimism are not as much influenced by the headlines as elsewhere. Defeats may come and may be grave, indeed, in the perspective of the immediate future but there is an underlying feeling here that the real war effort is some day going to be cumulatively so powerful that gains made now by the Japanese will seem in retrospect to have been given undue prominence.

This does not mean that anyone here underestimates the task ahead. But it does mean that America is going to exert an all-out war effort and by "all-out" is meant something that knows no limits of sacrifice or endurance and no sparing of men or treasure.

Perhaps it is because Washington knows that a Herculean effort is going to be required and that losses must be heavy before victory comes that there is no mercurial reaction now-

adays to what is happening in the Far East. But the truth is a considerable amount of materials and weapons is on its way to various destinations in the Pacific and that much of it cannot possibly get into action before the latter part of April or even the first part of May.

If the Axis powers imagine that they will have the spring offensives to themselves, they are mistaken. Plans are in the making for some counter-offensives that will upset Axis timetables. Hints are coming in published dispatches from Britain and there is a significant tendency on the part of the British spokesmen to discuss plans for air raids on the continent of such an extensive nature that Berlin will not be able to concentrate her air force on any one front.

The problems of submarine warfare need not be viewed as insurmountable. Germany's successes are at their high point this month and possibly will continue at a high rate during April and May, but by summer the Nazi submarines will not find the harvest they have found along the Atlantic coast because measures of defense and offense will have been provided.

The Russians have been strongly reinforced with air weapons and should be able to give a good account of themselves in the spring offensive. The attacks by the British on French munitions factories become at once a means of diverting the Axis force from operations in the Mediterranean as well as a warning to the Vichy Government that it cannot expect "peace" as a result of collaboration with Berlin.

The moral effect of the air raids will be considerable. The Vichy Government will be able to point to that situation as an internal problem when the demands come from Hitler for the acquisition of the French fleet. There are, on the other hand, some here who feel that Hitler will use the fact of the British air raids as a pretext for seizing the French fleet as a means of "protecting" the French people.

It may well be, on the other hand, that the British have

known of the intent of the Vichy Government to turn over the French fleet or to let it be captured and that carrying the war to Paris was one way of notifying the French people that they must not let their government dispose of the fleet to Axis control.

Unquestionably the raids on France constitute a milestone in the war and may have repercussions not now foreseen. Taken together with the recent forays of British forces on the French coast, it may be that Britain is giving Berlin to understand that, when spring comes and Germany is concentrating on the Russians, another front may be opened up in the western sector of Europe.

Could such a thing be done even on a small scale, it would be the signal for revolts in Holland and Belgium and in the Balkans and this would inevitably complicate Hitler's task this spring and summer.

News on the production front continues to be good. Donald Nelson has begun to accomplish a semblance of unity among the dollar-a-year men who have been sniped at, and he is developing a prestige with Congress which will enable him to direct the production drive more and more effectively as each week of the war passes.

March 5

It is natural that widespread attention should be given this week to the fact that Franklin Roosevelt is the first man to enter the tenth year of service as Chief Executive. Yet across the border in Canada there's a Prime Minister—Mackenzie King—who has held that office over a span of twenty-one years, having been elected four times and having served to date a total of fifteen years since 1921 with only two interruptions—one lasting a few months and the other for five years.

The writer has long maintained the thesis that a rigid

tenure for the Chief Executive is not as effective democracy as a system whereby the leader may stay in office indefinitely provided he can be removed at a moment's notice through the expressed will of the people.

When Herbert Hoover was defeated for re-election in November, 1932, the writer advocated that the President and Vice-President resign at once and appoint Mr. Roosevelt as Secretary of State so that he could succeed immediately to the responsibilities voted him by the American people. Thus, for example, in the interval between November and March apprehension had a chance to grow, the two Executives didn't cooperate, and this to no small extent was responsible for some of the events that brought the bank holiday of March 4, 1933.

When discussion of a third-term nomination for President Roosevelt began, the writer urged that it was not the length of term or the number of terms which mattered but only the safeguarding of the method of choice and the opportunity to remove an elected official when lack of confidence appeared. This is the British democracy's system and it was Woodrow Wilson, who, as a student, first championed the plan for America way back in the 1880's. He steadfastly maintained that principle, when President-elect, in a letter written to Congress in February, 1913, opposing a single-term amendment to the Constitution.

Mr. Roosevelt is a third-term President today not because the New Deal program was approved by the people in the 1940 election but because millions of citizens who disapproved his domestic policies feared America might be drawn into the world war and they wanted to keep continuity of administration in foreign affairs. Precedents mean nothing when America is on the verge of war or in war. It may be said this is an argument that can be used for a fourth term, but the realistic fact is that the American people aren't concerned with procedures when the nation is in peril. They seek only efficiency and victory.

Conversely, it is a matter of regret that when a President does not measure up to his responsibilities there is no way, agreed upon as yet by all sides, whereby he can be asked to turn over his office to someone else. The Vice-President may or may not be a better man than the President who happens to be in office. Some system is needed whereby, if circumstances require it, the public can pick a leader and change horses in midstream as the British released Chamberlain and took on Churchill in the very week when Holland and Belgium were being invaded. There is nothing personal in these observations. This writer has always had a feeling of personal friendship for Franklin Roosevelt. Long years ago when Mr. Roosevelt was Assistant Secretary of the Navy his congeniality and amiable personality became known to most of us who were engaged in newspaper work at that time in the national capital.

Extremists, whether critics or defenders, quite often seem to think that opposition must have behind it some personal animus or grievance. On the contrary. it is harder and more uncomfortable to criticize a friend than an unknown person. There is no room for considerations of personal friendship either in government or in the realm of the critic. Mr. Roosevelt unfortunately violates that rule often. The President dislikes to remove any friends from office even though he unintentionally does greater damage to the public interest by retaining incompetents.

America's success is dependent on the quality of the President's leadership. It is important, therefore, that mistakes shall be called constantly to his attention, that the American people should know that one man cannot do the whole job well, and that efficient men, irrespective of party or economic background, must be selected for war work if victory is to come. Mr. Roosevelt's place in history depends on what kind of an administrator he finally proves to be under the biggest test that ever was given an American President.

March 12

Changes in the navy command, coming as they do after similar changes in the army command, merely reflect the dilatory way in which a democracy goes to war. More changes are needed to get effective military operations. The necessity for unified command, elimination of dual authority and control, and centralization of responsibility has been foreseen for years by the experts. But here it is three months after war has been declared and we are just getting down to the fundamentals of organization. Small wonder that the totalitarian states can get the jump on us.

But with all the clumsiness and the ineptitude, the general direction of our activity is good. We are headed for victory. It won't come as soon as we like but it will come.

First of all, of course, we must realize that war on the seven seas is a task that nobody dreamed of preparing for. The collapse of British and Dutch naval strength in the Southwest Pacific was feared and even foreseen, for the British never had a fleet or air force big enough to do the Far Eastern job. Britain's attention in 1940 and 1941 was concentrated on continental Europe and the North African campaign. Despite the demands of the Pacific war, Britain must continue to care for those sectors as best she can.

While both the Russian front and the Pacific front are very important, yet the war of attrition against the Nazis is in some respects the more important. Few people believe Japan's conquests could survive very long if the Nazi régime crumbled. Instantly the British and American naval fleets and cargo ships now operating in the Atlantic could be rushed to the Pacific together with all our available air forces and the Japanese would be summarily defeated.

America, on the other hand, cannot afford to concentrate altogether on Europe. Our national pride demands that Japan be beaten even while we are giving as much sustenance as

possible to Russia and Britain. Nothing has been revealed as to the nature of the Churchill-Roosevelt decisions at their December conferences but it is easy to suppose that some sort of priority had to be established.

It is a fact that we are continuing to supply Britain and Russia with war weapons on a huge scale. Fortunately for us, the production of tanks and guns and ships requires the very kind of resources and mechanical facilities we possess, so that we can actually supply Britain and Russia with vast quantities from our rapidly growing arsenal without cramping our Pacific effort too much.

It staggers the imagination to visualize the size of the arsenal we are really building for all the world. Nothing like it had ever been planned, and yet under the stress of circumstances we are doing what Hitler must sooner or later realize will mean his undoing.

For 1942 we may expect Russian setbacks, a severe test of naval strength if the Nazis get the French fleet and if Japan attacks Russia, which is due at any time now. The year 1942 will prove advantageous to the Allies only in the sense that they will be able to keep the fight going on a defensive basis in Europe. The 1943 events will tell a different story.

As for the Pacific, America will begin to harass the Japanese navy and supply lines before the end of the summer in such important large-scale operations that Japan will find herself very much concerned with her rear and flanks if she has attacked Russia. Action in the Alaska sector may be expected at any time now. It would not be surprising if Japanese raids on Alaskan islands were to eventuate as a means of hampering America's offensive. Landings of Japanese troops in Alaskan islands may be anticipated. For unhappily we are not yet ready in that area.

Little can be told of American plans but there is an underlying confidence that the strategy which the navy is preparing to execute is sound and that it will in the end mean the

collapse of the long lines of communication which Japan must maintain in order to hold the Netherlands East Indies or Malaya.

The long-range view—the prospect of ending the war victoriously some time between November, 1943, and early 1944—is bright. The short-range view is one of apprehension over inevitable defeats due to inadequate preparation.

March 19

We are in the midst of a barrage of propaganda—most of it designed to gloss over mistakes of the past and lack of coordination in the war effort.

Congressional committees trying to get the facts meet with difficulties because witnesses from the executive agencies fear White House disapproval. The labor situation, which management men say is not satisfactory, is given a roseate air here. The fact that big strikes are rare is offered as evidence that labor friction has disappeared when as a matter of fact tension is growing between management and labor due to the Administration's failure to develop a war labor policy.

The forty-hour week controversy has been bandied about in typical fashion by the politicians. Even the President tells the press that there is "misinformation" current about the existing law. He says it doesn't prohibit a work week beyond forty hours. Anybody dealing with labor knows that. But the President never touches the root of the issue, which is the penalty for overtime beyond forty hours of work. The compulsory payment of time-and-a-half for overtime is an economic deterrent to increased production, as any industrial manager knows who tries to deal with irregular hours. Where the government pays the time-and-a-half through cost-plus contracts or negotiated contracts that allow for such high costs, the managers of industry accept the time-and-a-half without

protest. Where, however, it is being used to force the total cost upward, it presents a serious obstacle.

So far as the American people are concerned, they are being asked to pay for a war that costs far more on a basis of time-and-a-half for all over forty hours than it would cost if the straight work week were forty-eight hours. Man power isn't sufficient for all shifts and presently the production figures will reflect the lack of progress due to lack of man power. We shall be hearing presently more and more about delays in production due allegedly to "shortage of materials," but much of this delay is really due to failure on the part of the production mechanism to get the necessary man power out of the basic forty-hour-week method.

Ballyhoo doesn't win wars. Yet the tendency in Washington now is to turn on the ballyhoo. Critics are attacked as unpatriotic or as giving aid and comfort to the enemy. The President keeps a "labor cabinet" at his elbow and takes their views as gospel. He never has had and does not now summon any "employer cabinet" to tell him the other side of the story. But this has been a one-sided Administration on the labor problem from the beginning and the war must be won despite the labor politicians in Washington and despite the partisanship of the New Dealers. National unity has to be preserved at all costs and production attained irrespective of the irritating obstacles constantly placed in the path of industrial managers by the politicians in Washington.

The war effort as a whole is still in its incipient stages. Moving MacArthur to Australia from the Philippines was stimulating and came at a time when the United Nations and especially the American people needed a lift. The sad story of the naval battle in the Java Sea had had a depressing effect on every side.

While MacArthur has a tremendous job ahead in organizing Australian forces and our own for counter-attack, his chances of success depend to no small extent on what the American

Navy can do in harassing enemy sea lanes in the Pacific. The job confronting the navy is colossal. The men of the navy are silent about it. They are tackling the assignment with grim determination and a stoicism that is the essence of good morale. But they know the barriers ahead—the handicaps due to lack of ships and supplies, the problems of supplying fuel to naval vessels in the Far East and Southwest Pacific when it takes so much oil for ships to get across the ocean without regard to the cargoes of oil now needed for airplanes and for our naval convoys.

The tough job ahead means that the American people must have infinite patience. There never was more of a need for simple patience than now. And that's why it is nothing short of tragic that the Administration has failed to understand either how to get unity or to preserve it.

March 26

Despite the turmoil of political Washington, the forty-hour week controversy and the like, production continues to show signs of getting coordinated. Shortages of materials are appearing but they are not necessarily the result of lack of planning as much as they are the consequences of plans expanded too rapidly.

It is one thing to set a goal that is so high that the industrialists strain every nerve to attain the schedule, knowing it is a fantastic goal and endeavoring to convince themselves that nothing is impossible. But it is something else again to divert materials for the building of 1943 plants when those same materials are needed to meet 1942 schedules.

Plant expansion is going to be necessary to meet the one hundred and twenty-five thousand airplane goal for 1943 and it looks now as if the sixty thousand goal for 1942 is going to be reached. But it is a serious question whether our chiefs in Washington aren't going to miss the main point about

airplane warfare—quality instead of quantity. We need heavy bombers now in larger and larger numbers even if we don't get as many pursuit or interceptor planes at the moment or build plants capable of turning out vast supplies of fighter planes in 1943. The bomber is the answer to our soldiers' prayers. It is the bomber on which we must concentrate.

There is evidence that this point is being recognized and that's one reason why the committee headed by Senator Wallgren found that production at certain fighter plane plants on the West Coast had to be switched from six-day to five-day-week production. There isn't enough material for all kinds of planes—and the bombers need tremendous quantities of material.

We are short of ships. We are losing tonnage rapidly through submarine sinkings. We apparently do not have enough air and naval patrols to keep the tonnage losses down. The ship problem is a labor problem and a material problem, and a know-how problem. And, last but not least, it is a man power problem. For the crews needed to man the vessels must be trained just as must be the pilots for the airplanes.

A reservoir of man power is about to be created. Out of the 20-to-65 years of age groups, civilians will have to be selected sooner or later to carry out the production tasks, and, of the vast number of boys now coming into the navy, many will have to be used on merchant ships.

The progress of the production charts is good on the whole. We are moving out planes, tanks and ships in a fairly steady stream and in many instances the companies are way ahead of schedule. The Pacific warfare will soon reflect the increase in weapons, planes and ships.

The real problem in the Pacific is transportation—ships to carry fuel as well as men, for there is a shortage of oil in the Southwest Pacific due to the loss of the East Indies wells.

General MacArthur's job in Australia is largely one of organizing. He is equal to it. He is not only a brilliant fighter

but an excellent administrator—an executive who would have made a success in industrial management. He has a ticklish task—to carry on the offensive and to take care of the thousand and one delicate questions that may arise between ourselves and Britain with respect to men and materials for Australia. The British want Australia saved but they don't want the flow of goods to Europe to be diminished. Russia feels the same way about it.

As the spring opens up, an attack on Asiatic Russia by Japan may be confidently expected. Another Pearl Harbor maneuver without warning would seem probable. It's the way the Japanese started the Russo-Japanese war of 1904 at Port Arthur.

Japan is not expected to give up her southern excursions to concentrate in the north. Russia does not have a big enough air or naval force to give Japan much concern in Siberia. Nor have we developed enough bases in Alaskan waters to be much of a threat as yet to the Japanese. The Tokyo government, on the other hand, cannot, from a strategic standpoint, afford to let this summer go by without moving north to thwart possible attacks against her from either Siberian or Alaskan bases.

April 2, 1942

An inside view of what is going on in Washington so far as production is concerned reveals plenty of bottlenecks. The shortages in materials are holding up the program in some vital respects. But this relates to the large program set up after Pearl Harbor. Judged by the schedules of 1940 and early 1941, the shortages are not severe and would not now be troublesome. The exigencies of a supply problem which requires the United States to fight on or send supplies to the seven seas and battle-fronts on all continents are such that nobody could possibly have planned in advance solutions to the demands of today.

In some important instances the President's program for 1942 will be realized, but there is already good reason to believe that the sights on the 1943 program were set far too high and cannot possibly be met. This does not mean that there will be any lack of weapons for our armed forces but that we shall not be able to send the plethora of supplies in 1943 that we have hoped.

Nor is there a question of a lack of will or determination. The fact is that certain raw materials are short and cannot possibly be mobilized as soon as needed. There are some industries, on the other hand, which are working at only fifty per cent capacity, that can be stepped up and will be. The War Production Board is being criticized for not being able to move up the total production in those instances. It is not that contracts are being held back. They are all let. It is that capacity to produce is not being fully utilized due to all sorts of collateral problems which the War Production Board must solve if it is to get anywhere.

Conversion to a wartime economy still meets the opposition of pressure groups which are not in any sense unpatriotic but which do not feel that their interests must necessarily be brushed aside in favor of some other demands. The army and navy officers frequently find themselves bidding for materials not in a financial sense but in a priority sense as against other nations and other agencies. There is as yet no over-all coordination such as the country believed was coming after Pearl Harbor.

Congress has gone home for a holiday. Both opponents and proponents of labor legislation favored the recess. The former thought it would allow time to put pressure on members of Congress against any restrictive laws and the latter thought support would be enlisted after the members got back home and talked to constituents.

There has been some organized propaganda on both sides. But Senators say privately that the amount of it is small

compared to the large volume of spontaneously written letters being received which demand that an end be put to exploitation of the war effort by labor organizations.

The labor unions, of course, while not admitting it, know perfectly well the trend is running against them. Hence the publicity moves in which cablegrams of support are sent to General MacArthur. Also there is much talk about buying defense bonds and plenty of statements pledging loyalty.

The truth is the country is aroused over the favoritism being shown by the Administration and Congress to labor unions. Undoubtedly many elements which have always fought the unions are taking advantage of the present situation to press their points but it is doubtful whether the general public has ever paid as much attention to labor issues as it is paying today.

The belief is beginning to grow that, when the Nazis start rolling the Russians back this summer, the Japanese will strike suddenly and without warning in Siberia and that Russia will face a crisis far more serious than she encountered last autumn. The situation in India is far from rosy for the Allies.

The one bright aspect of the whole situation is the increasing effectiveness of the United States Navy and the speed with which our new war vessels are being built. Our navy is doing some remarkably fine work in the Pacific and will be heard from in the battles of the Atlantic too when spring sees the Nazi warships on the loose.

April 9

Pulling and hauling continue in the war effort. The mechanism is so vast and complicated that it is miraculous that we are making as much progress as we are in many lines.

Apart from the jealousies and bickerings between governmental agencies—each either anxious for more power or super-cautious so as to keep its record clear of possible criticism

later—the actual conflicts in purpose and military requirement are even more difficult to resolve. Someone has to say whether certain materials shall go to this or that use, and someone has to decide not just between civilian and military needs but between competing necessities within our own military and naval establishment. Then there is the plea for materials from our allies and from friendly nations in South America.

There is little cry now for a single coordinator. Much of the argument for this was silenced when a War Production Chief was appointed with an executive order which on paper at least would cure all sorts of things. Actually Mr. Nelson is just one of a number of key executives who possess enormous authority, and the final decision is made, of course, by the President. Very often such decisions come out through Harry Hopkins, who is a sort of assistant to the President.

It is amazing the amount of work that the President does, the number of subjects he covers and the enormous responsibilities which he has assumed. It is doubtful whether at this moment even Prime Minister Churchill has as much to do as President Roosevelt. In Britain, of course, there is a system of Cabinet responsibility and far more delegation of authority than here, though reports from London frequently tell us that even Mr. Churchill doesn't delegate as much power as many observers think he should.

Mr. Roosevelt's task is a combination of military, economic and political phases. He finds himself, for example, spending a good deal of time these days coddling the labor chiefs or fighting the battle of the forty-hour week for them. He finds himself importuned by his subordinates to use his influence on Capitol Hill to secure the passage of this or that piece of helpful legislation or to help block something that may upset the program as viewed by the military and naval chiefs. On top of all this, he runs the Pacific War Council and plays a part in the diplomacy of lining up India for war.

Altogether the President's job is not an enviable one. He

is being pressed in particular right now to put someone in at the head of all the information agencies who can carry on a sort of propaganda of stimulating morale.

Also there is a very decided campaign afoot in New Deal circles to find some way to stifle hostile critics. The plan appears to be to select someone who is extreme, someone who is attacking England, stirring up racial hatreds and doing about the same kind of thing that a Nazi agent might do if he deliberately set out to promote disunity. The case would then be prosecuted and, with such a noxious background, some legal decision limiting the right of free speech would be expected to serve as a restraining influence on all other critics, no matter how sincere their purpose or patriotic their intent.

Extreme measures of this kind are often excused as being necessary during wartime. But it is doubtful whether the good they do is not offset by the immense amount of damage incurred. It is doubtful whether an adult population of the size we have in America is even slightly influenced by the crackpot sheets of one kind or another that have littered the wastebaskets of sensible people for decades. There is no proof as yet that the doctrine of Oliver Wendell Holmes on free speech, namely, that free speech is "freedom for the thought we hate," has become outworn. The Administration lawyers, however, are quoting another phrase of Justice Holmes, namely, that "you can't cry 'fire' in a crowded theater."

This sounds plausible enough, but there is no proof that bonfires are conflagrations or that the citizens of each community or the patriotic avalanche of counter-propaganda cannot persuade the citizenry to disregard the sniping of Nazi-minded critics. It is a question of degree, and there is nothing yet to indicate that the subversive critics are as numerous as claimed or that the citizens as a whole are not able to distinguish between the work of such extremists and a patriotic press.

April 16

The war is far from won. The fact that an underlying confidence prevails that the war will be won does not warrant anybody in assuming that the job is done or that the exact way of winning the war has been worked out by the United Nations.

The truth is that confidence in victory rests on two things: (1) a firm belief that, because the raw materials and industrial capacity of the United States and our allies exceed substantially those of the Axis powers, victory will be ultimately won, and (2) a deep-seated conviction that American resourcefulness and the spirit of our fighting men will prove superior in the end to those of the enemy.

Nothing has happened to justify any weakening of those two basic or foundational propositions. But this is a far cry from trying to give the world a blueprint of victory that can be followed with any degree of certainty.

In war the plans change frequently and emphasis fluctuates on this or that theater of war depending on the enemy's moves. The real question is not whether ultimate victory will come to our side—for it will come—but just how it is to come and what the cost in human lives is going to be.

There would seem little doubt that extensive operations will be necessary for America involving the transportation of huge numbers of men by sea with the ever-attendant danger of losses due to submarine action and airplane bombing. There would seem to be little doubt also that extensive damage is going to be inflicted by our bombers on wide areas of continental Europe. For our principal emphasis is going to be on Europe for delivering there the decisive blows to curtail the Nazi operations while at the same time fighting a kind of war of attrition against the Japanese in the Pacific.

If no other fronts were opened up by the Axis, that is, if

no moves were made through Turkey or no attack made by Japan against Siberia, the steady pounding on Hitler with a possible invasion of continental Europe some time this year would make the Allies' time-table rather simple to follow. It would mean a relentless hammering away until the German machine and morale collapsed.

But Berlin and Tokyo know that time is working against them. Hence desperate moves must be made not in 1943 but in 1942—not next autumn but this very spring—before their adversaries are prepared.

Accordingly it will not be surprising if Hitler plays one trump card he has held for a long time—the use of the French fleet. As soon as that is under way and the German tanks begin rolling toward Moscow again the Japanese, who have observed the published announcements that some Siberian divisions are busy in Europe, will attack the Russian flank in the Far East. Overnight the Japanese navy may without warning attack the Russian fleet and seize the air bases from which resistance to air attacks by America from Alaskan bases, if not attacks on Alaskan islands, will be begun by the Japanese airmen.

It would seem natural for the Axis to make the two moves mentioned. The Allied world must steel itself for the adverse news that may come at any time now from Vichy and the Siberian front. But these are moves of desperation. The British and American fleets in the Atlantic are ready for action. It is a boresome job to patrol and watch the French fleet and be hamstrung by diplomatic amenities against seizing French vessels and the French islands in the Atlantic, from which no doubt Nazi and Italian submarines have been attacking our shipping. Once the Allied fleets are free to go after the new Axis units the final moves toward the ultimate mastery of the Atlantic will begin without which big expeditionary forces cannot be moved safely.

April 23

The trend is toward limitation of profits and also of wages. For policy reasons profits are tackled first. But once the drastic limits are imposed, labor costs will be held down too.

So long as there is no limitation on profits, the labor politician can argue for higher wages as a deductible expense for tax purposes. The moment the limit is placed from the top, the drive starts for economies and reduction of costs. In instances where companies have debt to amortize they will find it necessary to reduce expenses sufficiently to pay sinking fund. It may be that the government's policy—which is yet to be fixed by Congress—will provide some plan whereby deductions for sinking fund and amortization of bank debt can be made prior to a six per cent limit on net income. It may be that some plan for artificial bases for capitalization based on funds spent and plowed back into the business in previous years will be permitted again as was the case in the last war. The formula was then applied by the Treasury under flexible authority granted by Congress.

Some system of equalizing capitalization advantages between competitors will have to be devised or the well-heeled, well-capitalized companies will come out of the war stronger than before and the smaller concerns will be driven out of business. Some provision will have to be made also to handle payments on bonded debt and new capitalization. But while this matter may take several months to work out, the trend is in that direction and meanwhile labor may see the handwriting on the wall and will have to accommodate itself to the inevitable limitation.

Already the President's plan calls for no further increases in higher hourly wages to be granted by the War Labor Board unless cost of living can be shown to have materially increased

or unless depressed industries now can be shown to be able to pay standard or prevailing wages.

It is plain that the War Labor Board is going to have to take its cue from the President if a national war labor policy is formulated.

War production continues on a gratifying basis on the whole, but the shortage of materials is a cause for real concern. The trouble lies, of course, in the fact that the war program has been expanded faster than was planned before Pearl Harbor and there is no way to recover materials consumed by civilians last year. The drive for all-out production bids fair to be successful. If the United Nations can get by the next six months without severe setbacks, the war may be won before the winter of 1943-1944 begins.

April 30

War is a disorganizing influence in any national economy but the American attitude thus far has been very much along the lines of providing butter as well as guns. Hence the impact of restriction and regulation has not been felt as much in the past as it will be in the future. Each step brings more and more drastic change in the way of life and in the manner of operating individual as well as business budgets.

The fact that these fundamental changes are to be imposed on a nation which has been going through the travails of class warfare and political friction does not make the transition any easier. Rather there is a tendency to inquire more pertinently into regulatory action to determine if all classes are being treated alike or if sacrifices are to be borne by one group at the expense of the other.

This, however, has been the problem in every country at war—how to reconcile the conflicting interests. In countries where private property has already been confiscated and where

capitalism has been all but abolished, the rule of the dictator prevails and public opinion cannot be mobilized in protest. In Britain, the drift toward state socialism has been noticeable and the talk over there has been one of warning that Americans must be prepared for the same thing.

Over here, however, conditions are very much different. It is one thing to impose severe restrictions on a national economy which was already bearing a back-breaking burden due to the first World War and quite another thing to impose huge burdens on a nation as wealthy in resources and productivity as the United States.

If the war is a long one, certain changes made now may stick. But wartime controls were dropped almost overnight in 1918 as the quickest way to bring economic readjustment. No such quick transformation may be expected this time, because the present Administration has for a long time felt that control of prices and of production, allocation of capital and various other controls used in wartime can very well fit into a planned economy in peacetime.

The fact that Administration spokesmen on various occasions have expressed such views and that not a single word is being uttered now concerning the release of wartime controls once the war is over makes the swallowing of the new regulations even more difficult than otherwise would be the case.

If the Administration is interested in improving the morale of its citizens, it will soon indicate its after-the-war policy and will disavow any purpose to use the war emergency to impair private capitalism. Pressure for such an expression of opinion will doubtless come shortly from labor as well as management.

For while, on the surface, the President has done little toward repressing wage demands, the chances are that some day wages will be frozen by the demand of public opinion as exerted upon the War Labor Board. When once labor feels

the restrictions, it too will be anxious to be assured of ultimate emancipation from wartime decrees.

As a matter of fact, labor might well be more apprehensive about the future than management, for, despite price control, the cost of living is not likely to stay in bounds. Experiments in price control throughout the world have not been carried on in democracies for long enough periods to demonstrate their effectiveness. England still has considerable trouble with the bootleg or "black market."

The general war picture has not been changed materially by the Hitler speech or by last week's operations. Germany and Japan still hold the strategic bases and the Allies are still decidedly on the defensive despite the devastating air raids into German areas. The Hitler speech does give ground for hope that internal Germany is not as sound as it has been reported to be, but the morale of Germany is directly related to what the spring offensives and Japan's expected attack on Siberia may bring. A significant appraisal of the war situation can better be made in September than in May.

May 7, 1942

Critical weeks just ahead. If one could only know today what we shall know in October, 1942, the story of the remainder of the war would be easy to foretell. For if Hitler makes more gains and puts the Allies even more on the defensive, the prolongation of the war to 1944 and perhaps beyond would seem inevitable, with a huge amount of man power as well as materials needed to turn the tide.

But if the Allies hold Hitler to something approximating his present territorial conquests, the beginning of the end of the Nazi régime in Germany may be expected next winter, together with an early disintegration of Italy's resistance, and a climax in the autumn of 1943.

More than likely the recent meeting between Hitler and

Mussolini was to arrange for the draining of more man power from Italy for use on the Russian front and in the Balkans and for greater control over Italy's economy. Talk persists that Spain may be forced soon to enter the war, and this may further complicate the Mediterranean situation for the Allies.

On the whole, officials of the Allied governments are waiting almost with bated breath for the uncovering of the spring offensives, not knowing the intensity of the blow or the extent of the operations to be expected.

This much is clear: The British air power is better than it ever has been and it is harassing the Nazi lines to the front and doing considerable damage to factories and supply bases. The quoted utterance of the British air marshal this week—passed by British censors—that, if he had one thousand big bombers to send over Germany each night, the war could be brought to an end by this autumn, is significant not merely of how the airmen regard the value of air bombardment but of the more important fact that the British apparently have less than that number of big bombers for each day's raid. This is not surprising. Not so long ago the country was told by the President's message that our 1942 program called for sixty thousand planes. Nothing has been revealed as to the number of different types of planes being built but it is well known that the big Flying Fortresses require huge quantities of material to make and are much fewer in number than the small bombers and training planes.

Before Pearl Harbor there were published reports concerning a goal of five hundred big bombers a month and nothing has been announced since as to the pace of American production.

The quoted statements of American fliers returned from Java to the effect that fifty big bombers might have turned the tide there are also illustrative of the fact that it isn't the quantity but the quality of our aviation output that matters. Our planes fly high and at unbelievable speeds. The genius of American aircraft manufacture is that we are attaining

speed, height and flying range as well as protection against attack by fighter planes. The combination is unsurpassed by the enemy.

But even if we do not as yet have the quantity of heavy bombers that we really need, we are going to get a relatively immense number of such aircraft this year. They do not need ships to carry them. Germany is already feeling the effects of some of those Flying Fortresses. The British air marshal may be right that one thousand big bombers a night would force Germany to beg for mercy, because from the start of this war the public has been more or less misled by the talk of quantity rather than quality in planes.

It is doubtful, for instance, whether Germany, out of her supposed strength of fifty thousand planes in 1940, ever had any very large number of bombers. She had more than the Allies, to be sure, but the inability of Hitler to continue his attacks on Britain on such a large scale after the Russian front was opened proves conclusively that there has been a decided limitation on his bombing power.

Superiority in the air by the Allies is gradually being reached, as the continued succession of daylight attacks over France and Germany by the R.A.F. would seem to indicate. But the important thing in air warfare is bases—and that's why an attempt by Hitler to invade England in a last desperate attempt to eliminate that spacious base cannot be crossed off this summer as improbable just because Hitler has his hands full in Russia. The critical weeks are just ahead—anxious weeks for us all.

May 9

The significance of the United States Navy's vigorous action in the Coral Sea in the southwest Pacific is not merely in the number of ships of the enemy sunk but in the fact that the American people now know the anxious months

of preparation prior to taking on the Japanese Navy in a major engagement are over.

It was just five months ago when the Japanese made their treacherous attack on Pearl Harbor and on the Philippines. During that time the United States has had to prepare for counter-attack while losing possession of valuable bases in the Philippines and in Wake Island and Guam. The substitute bases among the small islands near Australia and New Zealand had to be built with the proper protection for air offensives and simultaneously the supply lines had to be protected by the American Navy because the British and Dutch forces available were not large enough to do the job.

For months the censorship has rightly withheld information upon all movements or preparations by the American fleet. Only by piecing together scanty dispatches and official communiques could it be learned that the navy not only was protecting the supply lines in general but that it also was moving in closer toward the Japanese Navy. The raids in the Gilbert and Marshall islands were indicative of subsequent action on a larger scale.

It takes months to reach the Southwest Pacific with fuel and supplies. It takes time to arrange for repairs for damaged ships and for the necessary handling of land-based airplanes as well as those from aircraft carriers. The United States has Australia and New Zealand and New Caledonia and other bases in the Southwest Pacific. The navy finally has been given the signal to go ahead.

That the seeking out of the enemy was deliberate may be inferred from the fact that as early as last Sunday word of an impending naval engagement was allowed to come through the censorship here. Evidently the navy has planned well and with due deliberation the steps necessary to force the Japanese Navy back toward the north.

The Japanese Navy, on its part, has known full well the importance of breaking through the American cordon of war-

ships in the vicinity of the Solomon Islands. The American line had to be broken, the Japanese doubtless reasoned, or there would be serious interruptions through a series of raids behind the Japanese lines of communications, which extend from Japan to Singapore and New Guinea.

Unquestionably the Japanese cannot afford to lose ships, especially aircraft carriers, but in accordance with naval tradition they know that they must give battle or else be driven into hiding, which is something that cannot be resorted to by a fleet that has such big lines to protect.

The United States Navy's losses are not known at this writing, but the history of this war some day will reveal that the Japanese cannot afford to lose ships even on an equality basis. For in a war of attrition, it is the capacity to replace the lost ships that counts. The American Navy can afford to lose much more, because our replacement capacity is much larger. Hence the tendency will be to take the necessary risks without thought of the replacement problem.

The American Navy received a body blow at Pearl Harbor but its only mistake was its lack of suspicion concerning Japanese treachery. Once war was declared, the navy began to mobilize its power. The distances are large and the problems of supply are stupendous, but that the American Navy is ready in May, 1942, to take on the Japanese fleet in its own waters in the Southwest Pacific—nearly ten thousand miles away from the mainland of America—is indicative of the vast amount of preparation and planning that must have been carried on during the last five months.

The country is thrilled to learn of the exploits of the navy and confidence in the naval arm will rise as the news of aggressive action comes in this summer. Naval engagements cannot occur every day or week, but the best news of the war is that the American Navy is ready for large-scale action in the Southwest Pacific, which must mean that the imaginary line of our sphere of influence in that ocean will be gradually

moving closer and closer toward the Caroline Islands. Thus has come the beginning of the naval war of attrition which must be fought in order to break through the enormous area of Japanese operations.

May 14

Key problems are taxes and personnel. It may be well into the summer before the Senate Finance Committee members—by whom the real tax bill will be written—finish their recommendations.

Personnel difficulties, however, may for the time being overshadow all else. They mean a shake-up of executives, foremen, supervisory staffs as well as of workers generally. This will prove one of the most complicated tasks American business and industry has ever faced.

For one thing, the draft rules are not always clear. Local boards interpret them in different ways. Individuals, especially among the executives seeing a possibility of being drafted, seek to find places in the army or navy most fitted to their talents and qualifications. Often they can do a much more serviceable job by staying where they are. Yet, as a rule, there is no one to tell them what to do. Uncertainty, bewilderment and confusion therefore arise at a time when the production machine should be functioning smoothly. It is an employer responsibility to advise his men.

This is a problem in every country that's at war. Britain has had to face it. Germany now is facing it with an acute shortage of man power for the operations behind the front lines. It is obvious that since we are to have an eight million-man army and air force and since under the law only men from the age of twenty to forty-five can be drafted—the total registered being well under thirty million—the army and navy needing nine million men must get about one out of every three between those age limits.

This doesn't allow for physical defects. The ratio may ultimately be one out of every two able-bodied men between the ages of twenty and forty-five who are to enter service. A vast number, of course, will be drawn from the younger classes but this will not solve the problem of keeping key men in industry. The rules state that to be deferred from service a man must be "irreplaceable." That's a hard definition to meet because it means that every effort to secure a substitute has been exhausted. Few businesses can prove they cannot get such persons. There will be some "irreplaceables" in every sense of the word. Business men heretofore have been hesitant to ask for deferment or to argue for it even with their key employees being taken. It is a question whether they are serving the best interests of efficient production for war if they do not keep the men actually needed to turn out the weapons we need.

Then there is the question of when the eight million-man army will be mobilized. We haven't put three million six hundred thousand in the field yet and that was the schedule for 1942. Transportation facilities to carry the present forces that are trained to outlying bases and foreign battle fronts are not too ample and it seems unlikely that the rate of mobilization will increase much more than in the past six months, though, to be sure, some acceleration will be apparent as soon as large bodies of troops are moved overseas. From the summer of 1917 and through the summer of 1918 we had transported about two million men to France. Shipping, relatively speaking, was less scarce then and the submarines less effective as to cruising radius, so the convoy problem was much easier than it is today.

It seems plausible that, while the draft will begin to weed out the able-bodied and put them into training this year, the bulk of the nine million men for the army and navy will not get to camp till well into 1943. This means that business and industry do have some time to make plans for replacements

and it is well that the job be started now by a careful canvass of the status of employees between twenty and forty-five.

Up to now the problem has been allowed more or less to drift because married men with dependents generally were being deferred, though here and there local boards in a few instances insisted on drafting them. Now, however, there is every likelihood that Congress will pass legislation to provide for dependents while the head of the family goes to war. The money provided will not be anywhere near what the family has been receiving and it will compel many wives to apply for work who have never worked before. It will cut into higher education considerably, forcing men under twenty to go to work to help the family income. The social losses in diminishing the number of future college men who are needed for medicine and technical fields will be large but it's the inevitable price all nations must pay in wartime.

May 27

Congressional primaries and elections are in the offing.

Maybe it is because the average American still feels a sense of security and believes that America is really not in danger. Maybe it is because of an ingrained optimism which assumes that America cannot lose the war or her liberties. Maybe it is because the war is still young and the sacrifices have as yet been widely distributed over the populace. But the fact is that if Washington can be taken as a reflection of the mood of the nation, the precious character of the liberties that can be lost is not fully appreciated.

For Washington is essentially political. It has hard-working government officers who are not political and who are conscientiously trying to do their appointed jobs. It has men and women who are making sacrifices away from home and loved ones to become part of a grind and routine which is unpleasant but nevertheless vital to the war effort. But Washington also

has pressure groups and lobbies and elected officials personally ambitious to gain or retain power and authority and influence.

The war might have been expected to bring a different mood, a changed atmosphere. It has served in some respects rather to intensify the group interest which forms the backbone of our political system. Political influence still seems to be in mortal conflict with the needs of the war.

Every war imposes on the civilian population certain handicaps and hardships. This war has thus far imposed few losses of life and few losses in the category of wounded or missing in action. But the reaction to discipline and to such things as rationing or the restraints that go with complete stoppage of various kinds of production has not been uniformly good. Thus the war has revealed the pressure groups of labor and agriculture still active in retaining their advantages, while the politicians, fearful of the loss of votes of these groups, hesitate to apply restrictive measures.

In the business world there is still a drive for higher and higher incomes to offset the drain of taxes. The system of private enterprise and the system of private acquisition still dominates the mood of the civilian leaders, notwithstanding many fine exhibitions of patriotic zeal and many instances of self-denial.

The fact remains that with a nation which has adopted the policy of paying billions upon billions of dollars for war supplies, the financial angle dominates the thinking of many groups. The manufacturer, faced with turn-over of personnel and competition with other industries or businesses for his best men, is struggling to keep his organization intact or else he is worried by the uncertainties of governmental contract procedure. He seeks to protect himself on one contract against losses on another.

Labor union chiefs, fearful of having wages frozen or "stabilized," insist on advantages such as "union security" or "maintenance of membership" as one means of keeping the

rank and file sold on the value of unionism. Social philosophers inside the government see post-war difficulties and begin to urge planning for this or that contingency. Congress sees bureaucrats exercising arbitrary power and strives to stay their hand by cutting their purse strings.

All in all, it is a strange atmosphere of friction and mutual distrust of groups and factions and parties. Maybe this is inevitable in a democracy. Maybe in spite of such conflicts and bickerings, democracy has an inexplicable momentum and force that wins in the end no matter what the cost. Maybe these shortcomings when emphasized tend to bring salutary change and revision.

But it is still important to record that the spirit of sacrifice which animated the whole nation of struggling colonists in 1776 is not yet apparent, though it may be latent and may come to the surface in a resurgence of national spirit as the war gradually brings closer and closer to us the fact that unless Hitlerism is crushed, the Republic cannot breathe the air of freedom in a world of tyranny.

May 28

Talk of a "second front" has a certain significance not apparent on the surface. Why is it being talked about at all? With the element of surprise so important in warfare, it might well be asked why discussion of a second front is conspicuous in the press dispatches from London and why American Army and Navy officials who constitute a special mission to Britain at this time figure so prominently in those dispatches, which are approved by British and American censors.

The answer probably is that the Allies would like to worry Hitler into a belief that a second front is coming, so that he will not withdraw too many troops and tanks and airplanes from occupied Europe for service on the Russian front.

Hitler knows precisely what tonnage the Allies have and what fronts can be opened up from an invasion standpoint. What he doesn't know, of course, is what risks the Allied high command may take and what air power can be mobilized for daylight and night bombing raids. The war of nerves is now being used on Berlin.

Is a second front probable? Judging by the caution in the dispatches and the fact that Britain has been unwilling to risk her home army till American troops can come over in large enough quantities to help her, the landing of a big expeditionary force in France would seem unlikely at the moment. The only other place would be Norway. This would require considerable naval protection at a time when both the British and Allied navies are busy protecting convoys of supplies to Russia and to Australia and India, to say nothing of the naval strength tied up in the Mediterranean.

That there will be a second front and maybe a third front before this war is over can be taken for granted. The airplane does not capture territory. It merely helps to pave the way for the land army to occupy ground. But to expect a second front this spring, insofar as actual invasion of either France or Norway goes, is hardly plausible though it may be wise strategy to feint in that direction through commando raids and air attacks. And that is about what the Allies are presumably doing.

It may, on the other hand, be anticipated that when the Russian-German fighting gets closer to a climax, the British may launch a series of raids and may risk an invasion of the coast of France, all depending on how much strength Hitler will divert to protect his position on the Russian front. Such raids involve a big risk, but wars cannot be won without risks and there is a substantial opinion in Britain which wants to try it.

So considering a second front in France only as a possibility but not a probability this spring, there can be no doubt that

a second front in the air will give the Axis countries plenty to worry about this summer. The air plans doubtless envisage an intensified warfare not only over France and Germany but over Italy and Axis positions in North Africa.

Certainly until the future of the French fleet is determined, the Allies will not be able to develop mastery of the Atlantic approaches to France, much less the Mediterranean. And without mastery of the sea and the air, an invasion army of any kind seeking a bridgehead in continental Europe would run the risk of tremendous losses.

The most important news of the week came out of Germany. The return of German diplomats from Washington has given Herr Hitler his latest information on American production. The Berlin radio flatly declares we have built only nine hundred thousand tons of shipping since December and that sinkings are five times that. The Nazis also point out that the Allied navies are scattered. That has been the object of their strategy. It is plain to see that the Germans are relying most heavily on the failure of our shipping program to meet war needs and on the effectiveness of their submarines. This is an implied confirmation of the fact that American industrial power is recognized as decisive but that the Nazis still cherish the illusion that our industrial output cannot be delivered. The Nazis are in for a surprise. They may be right as to the timing of our deliveries in the summer of 1942, but they will have many a surprise in 1943, if not in the latter part of this year.

May 30

There's ground for both optimism and pessimism in the war outlook depending on what aspect is being discussed.

If it's the production front, the answer is that America is making great strides.

If it's the transportation front, the answer is that America

needs ships badly and the prospect of building more than are being sunk is full of grave uncertainty.

If it's the military front, everything for the moment depends on Russia and most observers, official and unofficial, in Washington are engaged in wishful thinking—they don't know much more than is printed in the press dispatches.

On the subject of when the war will end, the answer depends on what war period one is talking about. If it's the general war and if it is assumed that after the armistice there will be a peace conference and a peace treaty and the same kind of a procedure as occurred after the armistice in the First World War, then there may be a serious disillusionment ahead.

For it may be doubted whether there will be a peace treaty until years after the conflict ends and whether, indeed, for two or three years there will be any stable governments with which to negotiate a treaty.

At the end of the last war a revolution swept Germany, but disorder was short-lived. Italy was intact and so was France and so were Holland and Denmark and Norway. There was no such internal cleavage as exists today in almost every country of the European Continent.

The collapse of Germany will this time inevitably mean a series of civil wars. For ten years now the Nazis have been persecuting those who did not agree with them. Many people have been executed. Their friends and relatives may seek vengeance. In Austria the memory of what happened to the Schuschnigg régime is still vivid. The seeds of a bloody civil war have been planted there.

As for Italy, a revolution sweeping Mussolini out of power can only mean also a bitter period of fratricide as various groups vie with each other for possession of the reins of power and for the opportunity to punish the tyrants who executed innocent people.

As for France, a revolution seems certain the moment the armistice comes. The men of the Laval régime will doubtless

encounter a wrath that will make the French Revolution seem by comparison an example of self-restraint.

And what of Poland, Yugoslavia, Greece and Czecho-Slovakia? What elements will arise there? Also will the anti-Fascist factions in Rumania, Hungary and Bulgaria sit by and let the governments of those countries send Fascist delegates to the peace conference? Will not revolutions be as natural there as in the so-called occupied countries?

During such a period of chaos and disorder, complicated by famine and poverty, will the British and American and Russian troops withdraw and let European peoples slaughter each other or will there be forcible efforts to maintain order and set up stable governments? How long will it be before such governments will emerge?

These long-range questions have been given little consideration thus far because almost everybody has thought the end of this war would bring the same sequence of events as did the termination of the last war. But even though Germany collapses the situation in the Far East will not immediately be simplified. The disorder inside Europe may still be engaging the attention of the Allies as the Japanese tenaciously compel their opponents to take every piece of ground from them by force.

The major conflict between the Allies and Germany could conceivably be over in 1942 or in 1943 and yet a peace treaty might not be signed or an assurance of peace clearly given until years thereafter. One can be optimistic, therefore, about a possible early ending of one phase of the war—the conflict with Germany—but one also may find that long after Hitler has disappeared from view the seeds of civil war which his hateful régime has sown will continue to plague the civilized world and keep large armies constantly mobilized.

Also Apart from the Record

More than six months have passed since the attack on Pearl Harbor. Washington has changed very little—our drift into war has been gradual. Some sharper integration of the policy on the military side has been made and some progress in converting civilian economy into war economy.

But the greatest change of all has occurred outside of Washington, where the people are ahead of the government. The people have plunged themselves into the war with the same intensity of spirit that has characterized our devotion to America in the past. Sacrifices are being made on every side. Our unsung heroes are numerous. The nation reveals an impatience with the politicians and the bureaucrats in Washington because they do not know how cooperative the people can be.

The effort by officialdom to stimulate an artificial morale has been superfluous and even confusing. There is nothing wrong with the morale of the people. They can take the bad news with the good. They understand the importance of rationing and self-denial, but I have felt Washington has not kept abreast of popular feeling and has instead allowed itself to be governed too much by pressure groups and special interests which are reluctant to yield their entrenched positions in face of military necessity.

The nation as a whole is supplying the man power and the mechanical production. It looks hopefully and anxiously to Washington for leadership. It can bear defeats if they are unavoidable but it cannot bear incompetency or failure to "put first things first."

The American people are organizing for war. At present

writing it looks as if the sacrifice in man power will be far greater than that which we experienced in the last war. There is at the moment a feeling that we must give considerable thought to the post-war economy, so that we may preserve the free enterprise system as against socialistic programs.

But the post-war world is being made now, and it is important to organize all our man power and all our resources for the ultimate victory before we worry too much about the theoretical post-war economic problems.

Our relationships with the Allied countries are being forged now. The leverage we may need at the peace table is being obtained now through Lend-Lease agreements and diplomatic understandings. Never was such a task of leadership imposed upon a single government—for the headquarters of the United Nations is in Washington. It is fortunate that this is so because the currents of public opinion, operating through a free press, can have their impact upon our government once the people are convinced of the facts.

The censorship thus far has not been harmful to the cause of good government. Many facts have been concealed in order to aid our military strategy. Some facts are unnecessarily concealed, but in the main the public knows enough of the truth to form a considered judgment about our program thus far in World War II.

We have made a good beginning—much better than we did in the first six months of the last war—and we are organizing our might slowly but deliberately. There are many defects in organization, and many mistakes are being made, but being a free people this is our manner and mode of operation.

Once we are fully organized for war, our army, navy and air force will then be put to the test, and when that test comes the spirit of the American people will be found in the front lines moving resolutely and earnestly toward the day of hard-earned victory.



